

IMANI HOUSE, INC
FINANCIAL STATEMENTS

June 30, 2013 and 2012

LAWRENCE TAYLOR
CERTIFIED PUBLIC ACCOUNTANT

**IMANI HOUSE, INC
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

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LAWRENCE TAYLOR
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INDEPENDENT AUDITOR'S REPORT

**The Board of Directors
Imani House Inc.**

I have audited the accompanying financial statements of Imani House Inc. which comprises the statement of financial position as of June 30, 2013 and 2012 and the related statements of activities and cash flows for the years then ended, and related notes to the financial statements

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. I conducted the audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 auditors' 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, I 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 Imani House Inc. as of June 30, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 11 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.

A handwritten signature in black ink, consisting of a stylized, cursive name followed by a long horizontal line extending to the right.

New Rochelle, New York
December 15, 2013

IMANI HOUSE, INC
STATEMENT OF FINANCIAL POSITION
JUNE 30,

	2013	2012
ASSETS		
Cash	\$ 20,964	\$ 72,372
Grants receivable	25,024	4,959
Fixed assets, net	12,517	14,539
Other assets	800	350
TOTAL ASSETS	59,305	92,220
 LIABILITIES		
Accounts payable and accrued expenses	2,576	4,091
Loans payable - line of credit	29,987	25,570
TOTAL LIABILITIES	32,563	29,661
 NET ASSETS		
Unrestricted	26,742	62,559
NET ASSETS	26,742	62,559
TOTAL LIABILITIES AND NET ASSETS	\$ 59,305	\$ 92,220

See accompanying notes to the financial statements

IMANI HOUSE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES			
Government grants	\$ 264,540	\$ -	\$ 264,540
Indirect government grants	15,334	-	15,334
Foundation and corporate grants	56,500	-	56,500
Individual donations and contributions	17,949	-	17,949
In kind contributions	290,795	-	290,795
Program services	66,975	-	66,975
Raffles	4,247	-	4,247
Other income	2,947	-	2,947
Net Assets Released From Restrictions	-	-	-
TOTAL SUPPORT AND REVENUE	<u>719,287</u>	<u>-</u>	<u>719,287</u>
 EXPENSES			
Program	680,891	-	680,891
Administrative	59,723	-	59,723
Fundraising	14,490	-	14,490
TOTAL EXPENSES	<u>755,104</u>	<u>-</u>	<u>755,104</u>
 CHANGE IN NET ASSETS	 (35,817)	 -	 (35,817)
 NET ASSETS, BEGINNING OF YEAR	 <u>62,559</u>	 <u>-</u>	 <u>62,559</u>
 NET ASSETS, END OF YEAR	 <u>\$ 26,742</u>	 <u>\$ -</u>	 <u>\$ 26,742</u>

See accompanying notes to the financial Statements

IMANI HOUSE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEAR ENDED JUNE 30, 2012

	UNRESTRICTED	TEMPORARILY RESTRICTED	TOTAL
REVENUES			
Government grants	\$ 222,607	\$ -	\$ 222,607
Indirect government grants	25,855	-	25,855
Foundation and corporate grants	58,950	-	58,950
Individual donations and contributions	34,339	-	34,339
In kind contributions	229,933	-	229,933
Program services	87,642	-	87,642
Raffles	4,773	-	4,773
Sales	2,388	-	2,388
Interest income	10	-	10
Net Assets Released From Restrictions	-	-	-
TOTAL SUPPORT AND REVENUE	<u>666,497</u>	<u>-</u>	<u>666,497</u>
 EXPENSES			
Program	619,504	-	619,504
Administrative	52,273	-	52,273
Fundraising	12,416	-	12,416
TOTAL EXPENSES	<u>684,193</u>	<u>-</u>	<u>684,193</u>
 CHANGE IN NET ASSETS	 (17,696)	 -	 (17,696)
 NET ASSETS, BEGINNING OF YEAR	 <u>80,255</u>	 <u>-</u>	 <u>80,255</u>
 NET ASSETS, END OF YEAR	 <u>\$ 62,559</u>	 <u>\$ -</u>	 <u>\$ 62,559</u>

See accompanying notes to the financial statements

IMANI HOUSE, INC
STATEMENT OF CHANGES IN CASH FLOWS
JUNE 30,

	2013	2012
CASH FLOW FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (35,817)	\$ (17,696)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	2,022	2,202
Adjustment in the allowance for bad debts	-	(361)
Changes in current assets and liabilities		
Grants Receivable	(20,065)	17,175
Other assets	(450)	(350)
Accounts payable	(1,515)	(1,046)
TOTAL ADJUSTMENTS	<u>(20,008)</u>	<u>17,620</u>
NET CASH FLOW (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>(55,825)</u>	<u>(76)</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from line of credit	<u>4,417</u>	<u>25,570</u>
TOTAL CASH FLOW FROM FINANCING ACTIVITIES	<u>4,417</u>	<u>(25,000)</u>
NET INCREASE IN CASH FLOW	(51,408)	25,494
CASH, BEGINNING OF YEAR	<u>72,372</u>	<u>46,878</u>
CASH, END OF YEAR	<u><u>\$ 20,964</u></u>	<u><u>\$ 72,372</u></u>
Supplemental information:		
Interest Paid	<u><u>\$ 274</u></u>	<u><u>\$ 232</u></u>

See accompanying notes to the financial statements

**IMANI HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2013 AND 2012**

ORGANIZATION

Imani House, Inc. (“IHI”) is a non –profit organization founded in Liberia West Africa in 1986, and incorporated under the New York State Not-For-Profit-Law in 1991. The organization offers youth development (performing arts, athletics, academic enrichment and parental coaching); Adult Education provides instruction in ESOL/literacy, GED; in addition, Imani House offers employment assistance and information and referrals in New York. In Liberia, Imani House provides a health clinic for women and children inclusive of child survival, family planning, treatment, and immunization and health education; Adult Literacy classes for Market Women and Vocational Skills Training; and Teen Peer Educator HIV/ Pregnancy prevention Project.

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PRESENTATION

The financial statements of Imani House, Inc. are prepared on the accrual basis of accounting.

Financial reporting for not-for-profit organizations require that resources be classified for accounting and reporting purposes into three categories of net assets according to externally imposed restrictions. Unrestricted net assets represent net assets that are not subject to any restrictions; temporarily restricted net assets represent net assets that are subject to time or purpose restrictions; and restricted net assets, which are subjected to permanent donor restrictions.

CONTRIBUTIONS

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reported in the statement of activities as net assets released from restrictions.

INCOME TAX

The corporation is a not profit organization exempt from federal income tax under Section 501 (c) 3 of the Internal Revenue Code and is not considered a private foundation under Section 509(a) of the Internal Revenue Code

**IMANI HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013 AND 2012**

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

ALLOCATION OF EXPENSES

Management allocates program costs to various programs including administrative and fundraising based on salaries and management estimates

BUILDINGS, EQUIPMENT AND FURNITURE

Buildings, equipment and furniture are stated at cost. Depreciation is computed on a straight-line basis over the estimated useful lives of the assets. Donations of property and equipment and furniture are recorded as contributions at their estimated fair value on the date donated.

ACCOUNTING FOR UNCERTAIN TAX POSITIONS

In compliance with the current tax standards, Imani House Inc. evaluates tax positions taken on previously filed tax returns or expected to be taken on future tax returns. These positions must meet a "more-likely-than-not" standard that, based on the technical merits, have more than fifty percent likelihood of being sustained by the applicable tax authority.

There is no tax liability resulting from unrecognized tax benefits relating to uncertain tax positions taken or expected to be taken.

FAIR VALUE MEASUREMENTS

Imani House adopted the 'Fair Value Measurements Standards' requiring financial assets and liabilities be valued at the current market value, which is a price a willing buyer would pay in an active market. There are no financial instruments as of June 30, 2013 and 2012 for which the application of fair value measurements are required.

USE OF ESTIMATES IN THE PREPARATION OF FINANCIAL STATEMENTS

Management of the corporation uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions could affect the reported amounts of assets and liabilities. The disclosure of contingent assets and liabilities, at the date of the financial statements and the reported amounts of the revenue and expenses during the reporting period could be affected also. Actual results could differ from those estimates.

IMANI HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013 AND 2012

PROGRAMS

NEW YORK PROGRAMS

Youth Development – In 2013 Imani House provided free after school programs in PS 282 that serves 200 children. Through after-school and full time summer day camp this program offers elementary age children classes in performing arts, athletics, academic enrichment; videography and TV show production, leadership and community service. IHI provides social work interns through Hunter College who assist children and parents who are dealing with various issues.

Adult Education – In 2013 Imani House provided free instruction and tutoring in literacy, English and GED to over 135 adults with 60 tutors – Mostly immigrants. This Program also offers family support through our social work department, employment assistance, and extended information and referrals to entitlements, education, immigration, and legal services. This program recruited and trained 52 community volunteers as tutors.

Employment Assistance- In 2013 Imani House had an Employment and Career Development program that offered free services to over 300 job seekers from all over Brooklyn. It provides employment readiness training, resume and cover letter preparation, free faxing of resumes, job search training and referrals to jobs, higher education, and additional services as needed.

Information and Referrals- the Information and Referral program at Imani House offered free referrals and /or counseling to over 4500 people in need of legal and immigration assistance, housing, employment, domestic violence, continuing education and social welfare.

LIBERIA WEST AFRICA PROGRAMS

The Imani House Jahtondo Town Clinic – in 2013 the Imani House Clinic provided maternal child and general health care and treatment to over 17,500 Liberians, mostly women and children. Services included general health care and treatment, deliveries, pre and post natal care, immunization, malaria, diabetes, high blood pressure, and parasitic and other diseases. This full service clinic also maintains laboratory services, family planning, health education, HIV/AIDS awareness and prevention, emergency services and referrals to major hospitals in critical cases.

Adult Education and Vocational Training – In 2013 the Imani House Liberia Adult Literacy program provided literacy instruction to over 180 women who are mostly petty-traders in the local market places

**IMANI HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2013 AND 2012**

LIBERIA WEST AFRICA PROGRAMS (cont'd)

Teen Peer Educator's HIV/ Pregnancy Prevention Program- In 2013 this program which began two years ago, allowed its first trained student educator the opportunity to present a health workshop to 65 teens at the local school

IN KIND CONTRIBUTIONS

In kind contributions included time donated by the Executive Director, ESOL, and other tutors as well as other professional volunteers. Time donated by the Lawyers Alliance. Space provided by Hanson Place Church and NYC Department of Education and food provided by United Way of New York.

In kind contributions are detailed as follows:

	<u>2013</u>	<u>2012</u>
Professional and Volunteer Services	\$184,631	\$96,923
Donated Legal Services	800	800
Food, Clothing, Medicines(Clinic), and Supplies	3,952	30,798
Donated Space	<u>101,412</u>	<u>101,412</u>
	<u>\$ 290,795</u>	<u>\$229,933</u>

LEASES

Imani House has a ten year lease that terminates in 2014 for its headquarters space in Brooklyn, New York at 76A Fifth Avenue. Rental expense was \$7,560 and \$7,032 for the fiscal periods ended June 30, 2013 and 2012 respectively

**IMANI HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2012 AND 2011**

GRANTS RECEIVABLE

Grants receivable are detailed as follows for the period ended June 30, 2013 and 2012:

<u>Grantor/ Program</u>	<u>2013</u>	<u>2012</u>
OST Elementary School	\$25,024	\$4,959

LOANS PAYABLE – LINE OF CREDIT

Imani House has a \$50,000 line of credit with Citibank that carries an interest rate of 6.2%. At June 30, 2013 and 2012 the outstanding balance was \$29,987 and \$25,570 respectively.

FIXED ASSETS

Fixed assets detail at June 30, 2013 and 2012 are as follows.

	<u>2013</u>	<u>2012</u>
Building	\$ 55,350	\$ 55,350
Furniture & fixtures	14,817	14,817
Equipment	<u>98,914</u>	<u>98,914</u>
Total	169,081	169,081
Accumulated depreciation	<u>156,564</u>	<u>(154,542)</u>
Fixed asset, net	<u>\$ 12,517</u>	<u>\$ 14,539</u>

SUBSEQUENT EVENTS

Imani House has evaluated subsequent events through the date the financial statements were available to be issued, December 15, 2013, and has found nothing that requires adjustment to the financial statements or additional disclosure.

SUPPLEMENTAL SCHEDULE

IMANI HOUSE, INC
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2013
With Comparative Totals for 2012

	<u>PROGRAM</u>	<u>ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>2013 TOTAL EXPENSES</u>	<u>2012 TOTAL EXPENSES</u>
PERSONNEL EXPENSES					
Salaries	\$ 271,152	\$ 24,135	6,397	\$ 301,684	291,836
Payroll taxes and fringe benefits	32,950	2,929	733	36,612	35,738
TOTAL PERSONNEL EXPENSES	<u>304,102</u>	<u>27,064</u>	<u>7,130</u>	<u>338,296</u>	<u>327,574</u>
OTHER THAN PERSONNEL					
Consultants	1,300	-	-	1,300	2,166
Youth worker payroll	15,334	-	-	15,334	16,530
Occupancy costs	6,804	605	151	7,560	7,032
Utilities	1,646	146	37	1,829	1,413
Repairs & maintenance	-	526	-	526	721
Telephone & internet services	3,275	291	73	3,639	2,609
Program supplies	9,826	873	219	10,918	7,514
Program expense Liberia	49,593	-	-	49,593	44,570
Postage & shipping	-	305	-	305	441
Equipment expense	1,705	152	38	1,895	1,809
Travel / transportation	1,498	133	34	1,665	1,026
Insurance	4,240	377	95	4,712	3,936
Dues / fees / subscriptions	2,846	253	63	3,162	4,333
Food pantry	-	-	-	-	9,324
Accounting & audit fees	9,630	856	214	10,700	10,700
Stipends / contracted services	4,527	-	-	4,527	5,713
In kind expenses	261,171	23,264	6,360	290,795	229,933
Meetings & conferences	785	70	18	873	1,435
Payroll fees and bank charges	-	3,532	-	3,532	2,618
Advertising	-	1,044	-	1,044	320
Depreciation	1,820	162	40	2,022	2,022
Miscellaneous	789	70	18	877	454
TOTAL OTHER THAN PERSONNEL EXPENSES	<u>376,789</u>	<u>32,659</u>	<u>7,360</u>	<u>416,808</u>	<u>356,619</u>
TOTAL EXPENSES	<u>\$ 680,891</u>	<u>\$ 59,723</u>	<u>\$ 14,490</u>	<u>755,104</u>	<u>684,193</u>