

IMANI HOUSE, INC

FINANCIAL STATEMENTS

June 30, 2015 and 2014

**LAWRENCE TAYLOR
CERTIFIED PUBLIC ACCOUNTANT**

**IMANI HOUSE, INC
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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**LAWRENCE TAYLOR
CERTIFIED PUBLIC ACCOUNTANT
2241 PALMER AVENUE
NEW ROCHELLE, NY 10801**

Independent Auditors' 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, 2015 and 2014 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, 2015 and 2014, 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.

New Rochelle, New York
December 30, 2015

A handwritten signature in black ink, consisting of stylized, overlapping loops and a long horizontal stroke extending to the right.

IMANI HOUSE, INC
STATEMENT OF FINANCIAL POSITION
JUNE 30,

	2015	2014
ASSETS		
Cash	\$ 219,975	\$ 57,002
Grants receivable	24,806	20,136
Fixed assets, net	8,473	10,495
Other assets	1,250	191
TOTAL ASSETS	<u><u>\$ 254,504</u></u>	<u><u>\$ 87,824</u></u>
 LIABILITIES		
Accounts payable and accrued expenses	7,441	8,830
Loans payable - line of credit	4,000	24,487
TOTAL LIABILITIES	<u><u>11,441</u></u>	<u><u>33,317</u></u>
 NET ASSETS		
Unrestricted	<u>243,063</u>	<u>54,507</u>
NET ASSETS	<u><u>243,063</u></u>	<u><u>54,507</u></u>
 TOTAL LIABILITIES AND NET ASSETS		
	<u><u>\$ 254,504</u></u>	<u><u>\$ 87,824</u></u>

See accompanying notes to the financial statements

IMANI HOUSE, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE FISCAL YEARS ENDED JUNE 30, 2015
With Comparative Totals for 2014

	UNRESTRICTED	TEMPORARILY RESTRICTED	2015 TOTAL	2014 TOTAL
REVENUES				
Government grants	\$ -	\$ 396,000	\$ 396,000	\$ 392,000
Indirect government grants	3,038	-	3,038	16,313
Foundation and corporate grants	287,945	-	287,945	26,060
Individual donations and contributions	88,519	-	88,519	37,504
In kind contributions	355,105	-	355,105	189,092
Program services	59,870	-	59,870	61,764
Raffles	1,759	-	1,759	-
Sales	1,678	-	1,678	-
Other income	28	-	28	16
Net Assets Released From Restrictions	396,000	(396,000)	-	-
TOTAL SUPPORT AND REVENUE	<u>1,193,942</u>	<u>-</u>	<u>1,193,942</u>	<u>722,749</u>
EXPENSES				
Program	864,699	-	864,699	628,405
Administrative	120,764	-	120,764	53,623
Fundraising	19,923	-	19,923	12,956
TOTAL EXPENSES	<u>1,005,386</u>	<u>-</u>	<u>1,005,386</u>	<u>694,984</u>
CHANGE IN NET ASSETS	188,556	-	188,556	27,765
NET ASSETS, BEGINNING OF YEAR	<u>54,507</u>	<u>-</u>	<u>54,507</u>	<u>26,742</u>
NET ASSETS, END OF YEAR	<u>\$ 243,063</u>	<u>\$ -</u>	<u>\$ 243,063</u>	<u>\$ 54,507</u>

See accompanying notes to the financial Statements

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

	2015	2014
CASH FLOW FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 188,556	\$ 27,765
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	2,022	2,022
Adjustment in the allowance for bad debts		
Changes in current assets and liabilities		
Grants Receivable	(4,670)	4,888
Other assets	(1,059)	609
Accounts payable	(1,389)	6,254
TOTAL ADJUSTMENTS	<u>(5,096)</u>	<u>13,773</u>
NET CASH FLOW (USED IN) PROVIDED BY OPERATING ACTIVITIES	<u>183,460</u>	<u>41,538</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Payments to the line of credit	<u>(20,487)</u>	<u>(5,500)</u>
TOTAL CASH FLOW FROM FINANCING ACTIVITIES	<u>(20,487)</u>	<u>(5,500)</u>
NET INCREASE IN CASH FLOW	162,973	36,038
CASH, BEGINNING OF YEAR	<u>57,002</u>	<u>20,964</u>
CASH, END OF YEAR	<u><u>\$ 219,975</u></u>	<u><u>\$ 57,002</u></u>
Supplemental information:		
Interest Paid	<u><u>\$ 575</u></u>	<u><u>\$ 1,156</u></u>

See accompanying notes to the financial statements

**IMANI HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2015 AND 2014**

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 and GED; 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, 2015 AND 2014

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.

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, 2015 and 2014 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, 2015 AND 2014

PROGRAMS

NEW YORK PROGRAMS

Youth Development – In 2015 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 2015 Imani House provided free instruction and tutoring in literacy, English and GED to over 135 adults with 100 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.

Information and Referrals- the Information and Referral program at Imani House offered free referrals and /or counseling to over 3,000 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 2015 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. The clinic worked with local and international groups in the fight against the deadly Ebola Virus, providing special screenings, referrals to treatment centers, extensive community Ebola prevention and response education and outreach training and data collection using teams of local residents. We also began renovating the IHI clinic building which serves as a special triage center.

Adult Education and Vocational Training – In 2015 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, 2015 AND 2013**

LIBERIA WEST AFRICA PROGRAMS (cont'd)

Teen Peer Educator's HIV/ Pregnancy Prevention Program- In 2015 this program which began three 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.

In kind contributions are detailed as follows:

	<u>2015</u>	<u>2014</u>
Professional and Volunteer Services	\$199,825	\$37,987
Donated Legal Services	4,210	1,344
Supplies and Materials	817	1,802
Digital Advertising	-	53,793
Donated Space	148,929	94,166
Other	1,324	-
	<u>\$355,105</u>	<u>\$189,092</u>

LEASES

Imani House had a ten year lease that terminated on March 31, 2014 for its headquarters space in Brooklyn, New York at 76A Fifth Avenue. It will continue to pay its current monthly rate from the terminated lease through April 2016. Rental expense was \$7,785 and \$7,810 for the fiscal periods ended June 30, 2015 and 2014 respectively.

**IMANI HOUSE, INC.
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2015 AND 2014**

GRANTS RECEIVABLE

Grants receivable are detailed as follows for the period ended June 30, 2015 and 2014:

<u>Grantor/ Program</u>	<u>2015</u>	<u>2014</u>
OST Elementary School	\$21,472	\$20,136
T J Max –Literacy Grant	3,334	-
	<u>\$24,806</u>	<u>\$20,136</u>

LOANS PAYABLE – LINE OF CREDIT

Imani House has a \$55,000 line of credit with Citibank that carries an interest rate of 6.25%. At June 30, 2015 and 2014 the outstanding balance was \$4,000 and \$24,487 respectively.

FIXED ASSETS

Fixed assets detail at June 30, 2015 and 2014 are as follows.

	<u>2015</u>	<u>2014</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>(160,608)</u>	<u>(158,586)</u>
Fixed asset, net	<u>\$ 8,473</u>	<u>\$ 10,495</u>

SUBSEQUENT EVENTS

Imani House has evaluated subsequent events through the date the financial statements were available to be issued, December 30, 2015, and has found nothing that requires adjustment to the financial statements or additional disclosure.

IMANI HOUSE, INC
SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2015
With Comparative Totals for 2014

	<u>PROGRAM</u>	<u>ADMINISTRATIVE</u>	<u>FUNDRAISING</u>	<u>2015 TOTAL EXPENSES</u>	<u>2014 TOTAL EXPENSES</u>
PERSONNEL EXPENSES					
Salaries	\$ 348,294	\$ 30,960	7,739	\$ 386,993	370,802
Payroll taxes and fringe benefits	43,744	3,500	1,361	48,605	43,744
TOTAL PERSONNEL EXPENSES	<u>392,038</u>	<u>34,460</u>	<u>9,100</u>	<u>435,598</u>	<u>414,546</u>
OTHER THAN PERSONNEL					
Consultants	1,000	-	-	1,000	-
Youth worker payroll	3,038	-	-	3,038	16,313
Occupancy costs	-	7,785	-	7,785	7,810
Utilities	-	1,823	-	1,823	1,883
Repairs & maintenance	690	61	16	767	1,132
Telephone & internet services	3,101	283	151	3,535	3,759
Program supplies	9,181	-	-	9,181	10,078
Printing and publication	668	-	-	668	-
Program expense Liberia	108,802	36,268	-	145,070	6,733
Postage & shipping	-	-	-	-	463
Equipment expense	1,722	153	38	1,913	1,980
Travel / transportation	3,528	314	78	3,920	467
Insurance	3,991	355	88	4,434	2,369
Dues / fees / subscriptions	6,274	558	139	6,971	9,573
Accounting & audit fees	-	9,950	-	9,950	10,700
Training	1,681	-	-	1,681	-
Stipends / contracted services	955	-	-	955	4,851
In kind expenses	319,595	25,408	10,102	355,105	189,092
Meetings & conferences	3,830	340	86	4,256	1,024
Payroll fees and bank charges	-	851	-	851	2,904
Advertising	-	1,082	-	1,082	1,120
Depreciation	1,820	162	40	2,022	2,022
Interest	-	575	-	575	1,156
Miscellaneous	2,785	336	85	3,206	5,009
TOTAL OTHER THAN PERSONNEL EXPENSES	<u>472,661</u>	<u>86,304</u>	<u>10,823</u>	<u>569,788</u>	<u>280,438</u>
TOTAL EXPENSES	<u>\$ 864,699</u>	<u>\$ 120,764</u>	<u>\$ 19,923</u>	<u>\$ 1,005,386</u>	<u>\$ 694,984</u>