

**MAZZONI CENTER**

**FINANCIAL STATEMENTS AND  
SUPPLEMENTARY INFORMATION**

**YEAR ENDED JUNE 30, 2014  
(WITH COMPARATIVE TOTALS JUNE 30, 2013)**

**MAZZONI CENTER  
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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Mazzoni Center  
Philadelphia, Pennsylvania

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Mazzoni Center, (a nonprofit organization), which comprise the statement of financial position as of June 30, 2014, 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.

### ***Auditors' 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 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, 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 Mazzoni Center as of June 30, 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 Matters**

*Other Information*

We have previously audited Mazzoni Center's 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated October 10, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying AACO Statements of Program Expenditures and Revenue, Statement of Source and Status of Funds, Schedule of Program Expenditures, Schedule of Program Revenue and Reconciliation Schedule, as required by the City of Philadelphia Subrecipient Audit Guide, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal, state, and city awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organization* and the City of Philadelphia Subrecipient Audit Guide, is also presented for purposes of additional analysis and is not a required part of the basic 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 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic 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 October 27, 2014, on our consideration of Mazzoni Center'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 to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on 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 Mazzoni Center's internal control over financial reporting and compliance.



**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 27, 2014

**MAZZONI CENTER**  
**STATEMENT OF FINANCIAL POSITION**  
**JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

<b>ASSETS</b>	2014	2013
<b>CURRENT ASSETS</b>		
Cash and Cash Equivalents	\$ 539,252	\$ 1,331,322
Accounts Receivable	2,440,753	1,788,506
Inventory	25,506	12,763
Grants Receivable	56,498	62,566
Promises to Give, Current Portion	5,678	15,059
Prepaid Expenses	279,693	273,299
Donated Art	15,700	15,700
Total Current Assets	3,363,080	3,499,215
<b>PROPERTY AND EQUIPMENT</b>	326,619	275,055
<b>OTHER ASSETS</b>		
Investments	2,307,144	400,708
Promises to Give, Less Current Portion	6,660	13,688
Security Deposit	22,283	22,283
Total Other Assets	2,336,087	436,679
Total Assets	\$ 6,025,786	\$ 4,210,949
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 601,523	\$ 228,228
Accrued Payroll	251,195	210,547
Accrued Expenses	515,136	442,668
Total Current Liabilities	1,367,854	881,443
<b>LONG-TERM LIABILITIES</b>		
Deferred Rent	97,414	82,861
Total Liabilities	1,465,268	964,304
<b>NET ASSETS</b>		
Unrestricted	4,406,496	2,899,980
Temporarily Restricted	154,022	346,665
Total Net Assets	4,560,518	3,246,645
Total Liabilities and Net Assets	\$ 6,025,786	\$ 4,210,949

See Accompanying Notes to Financial Statements.

**MAZZONI CENTER**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	2014			2013
	Unrestricted	Temporarily Restricted	Total	Total
<b>REVENUE AND OTHER SUPPORT</b>				
Government Contracts	\$ 5,324,419	\$ -	\$ 5,324,419	\$ 5,642,555
Grants	139,980	488,993	628,973	682,035
General Donations	218,686	1,100	219,786	142,924
Third Party Billing	5,044,672	-	5,044,672	3,560,933
Other Support	48,363	-	48,363	33,951
Special Events	223,030	-	223,030	161,711
In Kind Contributions	407,030	-	407,030	347,600
Investment Income	18,263	-	18,263	1,683
Subtotal	<u>11,424,443</u>	<u>490,093</u>	<u>11,914,536</u>	<u>10,573,392</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS</b>	<u>682,736</u>	<u>(682,736)</u>	<u>-</u>	<u>-</u>
Total Revenue and Other Support	12,107,179	(192,643)	11,914,536	10,573,392
<b>EXPENSES</b>				
Program Services	7,996,773	-	7,996,773	7,390,753
Support Services	<u>2,603,890</u>	<u>-</u>	<u>2,603,890</u>	<u>2,104,612</u>
Total Expenses	<u>10,600,663</u>	<u>-</u>	<u>10,600,663</u>	<u>9,495,365</u>
<b>CHANGE IN NET ASSETS</b>	1,506,516	(192,643)	1,313,873	1,078,027
Net Assets - Beginning of Year	<u>2,899,980</u>	<u>346,665</u>	<u>3,246,645</u>	<u>2,168,618</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 4,406,496</u>	<u>\$ 154,022</u>	<u>\$ 4,560,518</u>	<u>\$ 3,246,645</u>

See Accompanying Notes to Financial Statements.

**MAZZONI CENTER**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	2014				
	Program Services				
	Medical Care Services	Social Care Services	Prevention, Education and Legal Services	Behavioral Health Services	Total Program Services
Salaries and Related Expenses:					
Salaries	\$ 1,288,460	\$ 1,262,393	\$ 935,475	\$ 607,889	\$ 4,094,217
FICA Taxes	96,839	93,752	69,748	45,385	305,724
PAUC Taxes	19,797	27,355	21,991	10,803	79,946
Worker's Compensation	3,438	4,613	3,796	1,796	13,643
Benefits	173,810	239,235	173,390	100,170	686,605
Total Salaries and Related Expenses	<u>1,582,344</u>	<u>1,627,348</u>	<u>1,204,400</u>	<u>766,043</u>	<u>5,180,135</u>
Subcontractors	242,016	-	31,229	21,870	295,115
Payroll Services	-	-	-	-	-
Audit	-	-	-	-	-
Legal	-	-	-	-	-
Occupancy	122,901	166,049	135,826	62,932	487,708
Insurance	22,699	30,268	27,898	11,583	92,448
Telephone	11,785	15,859	13,041	6,126	46,811
Equipment Repairs and Maintenance	32,818	34,687	28,598	12,692	108,795
Office Expenses	16,932	21,406	18,639	8,510	65,487
Program Expenses	386,177	827,696	256,416	20,825	1,491,114
Advertising and Subscriptions	2,670	-	2,312	132	5,114
Postage	3,797	5,013	4,239	1,912	14,961
Travel	11,428	9,217	74,141	970	95,756
Meetings, Conferences and Development	3,479	700	1,999	969	7,147
Bank Charges	541	-	-	324	865
Credit Card Fees	2,769	-	-	2,821	5,590
Provision for Doubtful Accounts	-	-	-	-	-
Interest Expense	-	-	-	-	-
Program and Support Expenses Before Depreciation	<u>2,442,356</u>	<u>2,738,243</u>	<u>1,798,738</u>	<u>917,709</u>	<u>7,897,046</u>
Depreciation	<u>25,184</u>	<u>33,925</u>	<u>27,784</u>	<u>12,834</u>	<u>99,727</u>
Total Functional Expenses	<u><u>\$ 2,467,540</u></u>	<u><u>\$ 2,772,168</u></u>	<u><u>\$ 1,826,522</u></u>	<u><u>\$ 930,543</u></u>	<u><u>\$ 7,996,773</u></u>

See Accompanying Notes to Financial Statements.

**MAZZONI CENTER**  
**STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)**  
**YEAR ENDED JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	Support Services				
	Management and General Expenses	Fundraising	Total Support Services	Total Expenses	
Salaries and Related Expenses:					
Salaries	\$ 1,129,993	\$ 429,024	\$ 1,559,017	\$ 5,653,234	\$ 4,735,145
FICA Taxes	81,224	10,784	92,008	397,732	334,011
PAUC Taxes	3,663	1,799	5,462	85,408	74,010
Worker's Compensation	3,689	309	3,998	17,641	14,827
Benefits	175,119	15,395	190,514	877,119	737,382
Total Salaries and Related Expenses	1,393,688	457,311	1,850,999	7,031,134	5,895,375
Subcontractors	80,672	-	80,672	375,787	653,464
Payroll Services	13,144	-	13,144	13,144	10,302
Audit	23,000	-	23,000	23,000	23,000
Legal	1,236	-	1,236	1,236	1,280
Occupancy	113,548	11,114	124,662	612,370	625,093
Insurance	12,587	2,021	14,608	107,056	52,811
Telephone	7,473	1,066	8,539	55,350	53,456
Equipment Repairs and Maintenance	18,837	2,264	21,101	129,896	132,924
Office Expenses	11,630	1,488	13,118	78,605	63,306
Program Expenses	142,460	173,280	315,740	1,806,854	1,705,669
Advertising and Subscriptions	26,785	4,921	31,706	36,820	15,165
Postage	3,111	339	3,450	18,411	14,614
Travel	34,062	627	34,689	130,445	96,671
Meetings, Conferences and Development	2,401	-	2,401	9,548	4,201
Bank Charges	8,601	36	8,637	9,502	7,262
Credit Card Fees	2,608	6,699	9,307	14,897	11,795
Provision for Doubtful Accounts	7,654	-	7,654	7,654	-
Interest Expense	575	-	575	575	11
Program and Support Expenses Before Depreciation	1,904,072	661,166	2,565,238	10,462,284	9,366,399
Depreciation	36,375	2,277	38,652	138,379	128,966
Total Functional Expenses	\$ 1,940,447	\$ 663,443	\$ 2,603,890	\$ 10,600,663	\$ 9,495,365

See Accompanying Notes to Financial Statements.

**MAZZONI CENTER**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED JUNE 30, 2014**  
**(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	2014	2013
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,313,873	\$ 1,078,027
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation Expense	138,382	128,966
Provision for Doubtful Accounts	6,154	-
Donated Property and Equipment	-	(14,351)
Realized Loss on Sale of Investments	1,387	-
Unrealized (Gain) Loss on Investments	(2,983)	4,171
(Increase) Decrease in:		
Accounts Receivable	(652,247)	(286,423)
Grants Receivable	6,068	51,115
Prepaid Expenses	(6,394)	313
Inventory	(12,743)	(1,275)
Promises to Give	10,255	(8,274)
Increase in:		
Accounts Payable	373,295	203,153
Accrued Expenses	113,116	106,789
Deferred Rent	14,553	62,533
Net Cash Provided by Operating Activities	1,302,716	1,324,744
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(189,946)	(63,393)
Proceeds from Sales of Investments	647,720	-
Purchases of Investments	(2,552,560)	(404,879)
Net Cash Used by Investing Activities	(2,094,786)	(468,272)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(792,070)	856,472
Cash and Cash Equivalents - Beginning of Year	1,331,322	474,850
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 539,252	\$ 1,331,322
<b>SUPPLEMENTAL DISCLOSURE FOR CASH FLOW INFORMATION</b>		
Interest Paid	\$ 575	\$ 11
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING ACTIVITIES</b>		
Donated Property and Equipment	\$ -	\$ 14,351

See Accompanying Notes to Financial Statements.

**MAZZONI CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization and Operations**

Mazzoni Center (the "Organization") was established in 1979. The mission of Mazzoni Center is to provide quality comprehensive health and wellness services in a lesbian, gay, bisexual and transgender (LGBT) – focused environment, while preserving the dignity and improving the quality of life of the individuals it serves.

The Board of Directors of Mazzoni Center has full responsibility to direct and carry out the activities including, but not limited to the planning and oversight of management of Mazzoni Center and the authority to borrow money, purchase, sell or transfer property.

Mazzoni Center carries out its activities through the following programs funded primarily through government contracts and grants:

**Medical Care Services:**

Mazzoni Center operates the only Health Center in Philadelphia directly targeting the LGBT communities. The center provides primary care, HIV primary care, GYN services and STD screening and treatment.

**Social Care Services:**

Mazzoni Center provides Case Management, Targeted Case Management to LGBT and Youth, Regional Food Bank and Housing services to people with HIV/AIDS and their families. Services include direction and assistance in obtaining medical assistance, disability insurance and linkage to affordable rental housing subsidies.

**Prevention, Education and Legal Services:**

Mazzoni Center operates the largest community based HIV testing facility in Philadelphia. The agency provides HIV testing to an average of 7,000 people annually. In addition through various modes of outreach (street, internet, media, etc) Mazzoni Center targets at-risk individuals with unknown HIV status. Outreach activities also target HIV positive individuals with the goal of linking them into medical care and to provide supports to prevent further HIV transmission.

Mazzoni Center conducts educational workshops for youth in the School District of Philadelphia, and is responsible for the development of literature addressing Public Health issues related to HIV and AIDS. Mazzoni Center currently distributes over 70,000 pieces of information each year.

Mazzoni Center added legal services to its continuum of care. Services are direct legal assistance for members of the LGBT community who could not otherwise afford representation. Mazzoni Center serves individuals facing discrimination based on sexual orientation or gender identity, or who require legal assistance in the area of employment rights, family law, youth law, and trans-specific services.

**MAZZONI CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Nature of Organization and Operations (Continued)**

Behavioral Health Services:

Mazzoni Center is a licensed mental health and substance abuse treatment provider targeting the LGBT communities. Through this program, Mazzoni Center currently provides therapy session to individuals, families, couples, and groups through an average of 7,000 hours of counseling annually.

**Financial Statement Presentation**

The financial statements of the Organization are reported on the accrual basis of accounting. The Organization reports information regarding its financial position and activities according to the following three classes of net assets:

Permanently Restricted Net Assets

Net assets subject to donor-imposed stipulations that are to be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes and prohibits the use of principal. At June 30, 2014, the Organization did not have any permanently restricted net assets.

Temporarily Restricted Net Assets

Net assets whose use has been limited by donors to a specific time period or purpose. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. At June 30, 2014, the Organization did have temporarily restricted net assets of \$154,022.

Unrestricted Net Assets

Net assets that are not subject to donor-imposed stipulations.

The Center considers all government awards to be exchange transactions in which each party receives and sacrifices commensurate value. Accordingly, government awards do not affect temporarily restricted or permanently restricted net assets, and funds received in advance are deferred revenue and funds disbursed and not reimbursed represent receivables.

**Cash and Cash Equivalents**

For purposes of reporting cash flows, the Center considers all highly liquid debt instruments with an initial maturity of less than three months to be cash equivalents. The balances are insured by the Federal Deposit Insurance Corporation up to certain limits. At times, cash in bank may exceed FDIC insurable limits.

**MAZZONI CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

**Contributions**

Contributions, including unconditional promises to give, are recognized as revenue in the period received. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or a purpose restriction is accomplished) within the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in temporarily or permanently restricted net assets depending upon the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

**Contracts, Grants and Accounts Receivable**

The contracts and grants under which Mazzoni Center conducts its programs contain provisions defining costs, which are allowable and reimbursable within the program. All program billings for the year ended June 30, 2014 are subject to audit by various governmental funding sources. The audit of these billings may result in adjustments for expense disallowances. It is Mazzoni Center's practice to provide for such adjustments at the time that they are reasonably estimable.

The Organization provides an allowance for bad debts using the allowance method, which is based on management judgment considering historical information. Accounts past due 90 days are individually analyzed for collectability. In addition, an allowance is provided for other accounts when a significant pattern of uncollectability has occurred. When all collection efforts have been exhausted, the accounts are written off. At June 30, 2014, the allowance for doubtful accounts amounted to \$46,639.

**Third Party Billings**

On July 1, 2010, the Organization had entered into a 340B drug pricing program agreement with Walgreens Co., for the dispensing of prescription outpatient pharmaceutical products prescribed by an authorized medical provider affiliated with the Center. As part of this agreement the Organization was required to enter into an agreement with a third party pharmaceutical manufacturer, AmeriSource Bergen, to purchase the drugs, which will be dispensed at three Walgreens pharmacies and the Organization's Health Center in Philadelphia, Pennsylvania. Walgreens will pay the Organization 100% of the patient's payments less an agreed upon administrative, dispensing and third party fee. The Organization has recorded this transaction and all other third party billings transactions at net realizable value and recorded in revenue as earned. For the year ended June 30, 2014, revenues recognized for third party billings totaled \$5,044,672 of which \$3,080,086 was related to this 340B drug pricing program.

**MAZZONI CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Promises to Give**

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. An allowance for uncollectible contributions receivables is provided based upon management's judgment, including such factors as prior collection history, type of contribution and nature of fundraising activity. At June 30, 2014, the allowance for doubtful accounts amounted to \$6,154.

**Investments**

Investments are stated fair market value. The investments in mutual funds are valued at the net asset value of shares held by the Organization at year end.

Investments in mutual funds with readily determinable fair values are carried at quoted market value. The net changes in fair value and the realized gains and losses on investments sold are reflected in the statements of activities as net realized and unrealized gains or losses on investments. Investment transactions are recorded on the trade date.

Investment securities are exposed to various risks, such as interest rate, market and credit risk. Due to level of risk associated with certain investments, it is reasonably possible that such changes in the values of investments will occur in the near-term and that changes could materially affect the amounts reported in the statement of financial position.

**Inventory**

Inventory, consisting of vaccines located at the Organization's Health Center are valued at the lower of cost (first-in, first-out) or market.

**Property and Equipment**

Property and equipment are carried at cost, less accumulated depreciation. Depreciation of property and equipment are computed using the straight-line method over the estimated useful asset lives (shorter of asset life or lease term for leasehold improvements).

Donations of property and equipment are recorded as support at their estimated fair values. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor and reclassifies temporarily restricted net assets to unrestricted net assets at that time.

**MAZZONI CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1      SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment (Continued)**

Expenditures for repairs and maintenance are charged to expense as incurred, while major renewals and betterments are capitalized. Contributed assets are valued at the fair value at the date of donation.

The useful lives of property and equipment for purposes of computing depreciation are:

Computer equipment	3-5 years
Furniture and fixtures	7 years
Leasehold improvements	10 years

**Deferred Rent**

Deferred rent is recorded and amortized to the extent the total minimum rental payments allocated to the current period on the straight-line basis exceed or are less than the cash payments required.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities and functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Indirect costs are allocated between programs and supporting services based on full-time employees' salaries.

**Fair Value Measurements**

The Organization has categorized its financial instruments based on the priority of the inputs to the valuation technique into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value of the instrument.

Financial assets recorded on the statement of financial position are categorized based on the inputs to the valuation techniques as follows:

**Level 1**

Financial assets whose values are based on unadjusted quoted prices for identical assets or liabilities in an active market that the Organization has the ability to access (examples include active exchange-traded equity securities, listed derivatives, and most U.S. Government and agency securities).

**MAZZONI CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements (Continued)**

**Level 2**

Financial assets whose values are based on quoted prices in markets that are not active or model inputs that are observable either directly or indirectly for substantially the full term of the asset or liability. Level 2 inputs include the following:

- Quoted prices for identical or similar assets or liabilities in non-active markets (examples include corporate and municipal bonds, which trade infrequently);
- Pricing models whose inputs are observable for substantially the full term of the asset or liability (examples include most over-the-counter derivatives, including interest rate and currency swaps); and
- Pricing models whose inputs are derived principally from or corroborated by observable market data through correlation or other means for substantially the full term of the asset or liability (examples include certain residential and commercial mortgage related assets, including loans, securities, and derivatives).

**Level 3**

Financial assets whose values are based on prices or valuation techniques that require inputs that are both unobservable and significant to the overall fair value measurement. These inputs reflect management's own assumptions about the assumptions a market participant would use in pricing the asset (examples include certain private equity investments, long-term promises to give and split-interest agreements).

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable values or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**Income Taxes**

The Organization is a nonprofit entity as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal and state income taxes. Accordingly, there is no provision for income taxes. The Organization is not aware of any activities that would jeopardize its tax-exempt status or any activities that are subject to tax on unrelated business income taxes.

The Organization follows the guidance in the income tax standard regarding the recognition and measurement of uncertain tax positions. The guidance clarifies the accounting for uncertainty in income taxes recognized in an entity's financial statements. The guidance further prescribes recognition and measurement of tax provisions taken or expected to be taken on a tax return that are not certain to be realized. The application of this standard had no impact on Organization's financial statements.

**MAZZONI CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Income Taxes (Continued)**

The Organization's income tax returns are subject to review and examination by federal and state authorities. The tax returns for the years 2013, 2012 and 2011 are open for federal and state tax examinations.

**Advertising Costs**

Advertising costs are charged to operations when incurred. Advertising costs are to promote Mazzoni Center's services.

**Comparative Financial Information**

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the Mazzoni Center's financial statements for the year ended June 30, 2013, from which the comparative totals were derived. Certain accounts in the prior year summarized comparative information have been reclassified to conform to the presentation in the current year financial statements.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through October 27, 2014 the date the financial statements were available to be issued.

**NOTE 2 ACCOUNTS RECEIVABLE**

Accounts receivable consists of the following at June 30, 2014:

	<u>Amount</u>
Government and Contracts Receivable	\$ 921,639
Third Party Billing Receivable	<u>1,565,753</u>
Total Accounts Receivable	2,487,392
Less: Allowance for Doubtful Accounts	<u>46,639</u>
Net Accounts Receivable	<u><u>\$ 2,440,753</u></u>

**MAZZONI CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 3      PROMISES TO GIVE**

The Organization has unconditional promises to give from various donors for multi-year periods. Amounts to be received in excess of one year have been discounted to net present value at 2.47%. Unconditional promises to give at June 30, 2014 are as follows:

Amount Due Within One Year	\$      5,678
Amount Due Within One to Three Years	13,102
Total Unconditional Promises to Give	18,780
Less:	
Discount to Net Present Value	(288)
Allowance for Doubtful Accounts	(6,154)
Net Unconditional Promises to Give	\$      12,338

**NOTE 4      PROPERTY AND EQUIPMENT**

Property and equipment consists of the following at June 30, 2014:

	Amount
Office Equipment and Furniture	\$      711,426
Leasehold Improvements	151,296
Total	862,722
Less: Accumulated Depreciation	536,103
Total Property and Equipment	\$      326,619

Depreciation expense for the year ended June 30, 2014 was \$138,382.

**NOTE 5      INVESTMENTS AND INVESTMENT INCOME**

Investments are comprised of the following as of June 30, 2014:

Mutual Funds	
Growth and Income	\$    1,104,258
International	265,011
Bond	202,492
Mid-Cap Blend	202,220
Large Value	133,163
Short-Term Bonds	400,000
	\$    2,307,144

**MAZZONI CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 5 INVESTMENTS AND INVESTMENT INCOME (CONTINUED)**

Investment income consists of the following for the year end June 30, 2014:

Interest and Dividend Income	\$	16,667
Realized and Unrealized Gain on Investments		1,596
Total		\$ 18,263

Investment income allocated to operations is reported as unrestricted revenue.

**NOTE 6 FAIR VALUE MEASUREMENTS**

The Organization uses fair value measurements to record fair value adjustments to certain assets. For additional information on how the Center values all other assets refer to Note 1 – Summary of Significant Accounting Policies.

Assets measured at fair value on a recurring basis as of June 30, 2014 are:

	Total	Level 1	Level 2	Level 3
Mutual Funds	\$ 2,307,144	\$ 2,307,144	\$ -	\$ -

**NOTE 7 CHARITY CARE**

The mission of Mazzone Center is “to provide quality comprehensive health and wellness services in an LGBT-focused environment, while preserving the dignity and improving the quality of life of the individuals we serve.” The organization provides a continuum of prevention and care services, including HIV counseling and testing, primary medical services, transgender specific medical care, mental health and substance abuse services, case management, housing, nutrition and food bank services, education services and legal services. Mazzone Center provides services to patients and clients regardless of their ability to pay for those services.

Mazzone Center defines and measures its “investment in” and “partnership with” the community through offering our low-income and/or uninsured patients and clients services at reduced cost or free of charge, as defined under its financial assistance departmental policies. Key elements used to determine eligibility include a patient’s demonstrated inability to pay based on family size and household income related to federal income poverty guidelines. Because Mazzone Center does not pursue collection of amounts determined to qualify for financial assistance, they are not reported as revenue.

Mazzone Center has estimated its costs of providing charity care by reducing the amount collected from patient ability to pay to the actual cost of delivering the service. Using this methodology, Mazzone Center has estimated the costs foregone for services and supplies furnished under Mazzone Center’s financial assistance policy aggregated approximately \$1,155,000 for the year ended June 30, 2014.

**MAZZONI CENTER  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014**

**NOTE 8 DONATED ART**

In May 2008, the Organization received art donated from various artists within the community to be auctioned off, by the Organization. These artworks were recorded at an estimated fair value. At June 30, 2014, the estimate fair value of these works of art was \$15,700, which will be auctioned off at future events.

**NOTE 9 LINE OF CREDIT**

The Organization has a line of credit from Bank of America that allows borrowings up to \$1,000,000. The line bears interest at the LIBOR rate plus 3.75% (3.87% at June 30, 2014). The line expires December 31, 2014 and can be renewed on an annual basis. The line is secured by the Organization's equipment and accounts receivable. There was no outstanding balance on the line of credit at June 30, 2014.

**NOTE 10 OPERATING LEASES**

The Organization is committed under various long-term operating leases for rental of office space, its medical facility and equipment through December 31, 2021. Rent expense incurred under these leases for the year ending June 30, 2014 was \$575,199.

The aggregate minimum rental commitments at June 30, 2014 are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2015	\$ 562,717
2016	578,592
2017	414,551
2018	230,547
2019	200,901
Thereafter	501,583
Total	<u><u>\$ 2,488,891</u></u>

**NOTE 11 EMPLOYEE BENEFIT PLAN**

The Organization maintains a 403(b) plan for its employees. The employees may voluntarily contribute up to 15% of their salary, not to exceed federal limits, commencing at the first day of employment. Mazzoni Center will make a contribution of 3% of total compensation once the employee has completed 1,000 hours of service within any one year period. Once this requirement is met, the contribution will commence on the employee's anniversary hire date. Hire date will be initial start of employment date or new position start date. For the year ended June 30, 2014, Mazzoni Center's contributions to the plan were \$161,030.

**MAZZONI CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 12 TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consist of the following:

<u>Purpose Restricted:</u>	
Philadelphia Foundation	\$ 29,167
AIDS United Foundation	58,333
Samuel Fels Foundation	6,250
Philadelphia Bar Association	5,000
PHC RHEDI HealthCenter	19,789
IBC Foundation	12,500
Total Purpose Restricted	<u>131,039</u>
 <u>Time Restricted:</u>	
AIDS Fund	9,348
Connelly Foundation	1,875
Anonymous	2,000
Management and Board Pledges	9,760
Total Time Restricted	<u>22,983</u>
Total Temporarily Restricted Net Assets	<u><u>\$ 154,022</u></u>

**NOTE 13 SIGNIFICANT CONCENTRATIONS AND RISKS**

The Organization receives approximately 45% of its support and revenues from federal, state and city awards. The continuation of these revenues is dependent upon federal, state and city programs, which may be adversely affected by change in funding priorities. A reduction in the level of government support could have an adverse effect on the Organization's programs and activities.

**NOTE 14 DONATED SERVICES**

Contributions of donated in-kind assets are recorded at their fair values in the period received. Donated services, volunteer services, equipment and materials are recognized as contributions. Donated services and volunteer services are recognized if the services, they create or enhance nonfinancial assets that require specialized skills or are provided by individuals who possess skills that would typically need to be purchased if not provided by donation. Donated equipment and materials are recognized at the estimated fair value at the date of receipt. These amounts reflected in the accompanying financial statements as in-kind contributions are offset by like amounts included in expenses, except for amounts for donated equipment, which are capitalized.

**MAZZONI CENTER**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**NOTE 14    DONATED SERVICES (CONTINUED)**

The following is a summary of the in-kind contributions received by Mazzoni Center during the year ended June 30, 2014. The in-kind contributions have been recorded as revenue and are also included as expenses where applicable in the statement of activities.

Donated Services	\$     21,857
Volunteer Services	285,553
Donated Materials	99,620
Total	<u><u>\$    407,030</u></u>

**MAZZONI CENTER**  
**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS**  
**YEAR ENDED JUNE 30, 2014**

Program Title	Federal CFDA No.	Grant ID/ Contract No.	Grant Period	Expenditures
<b>Federal Awards:</b>				
<u>U.S. Department of Housing and Urban Development</u>				
Pass-through City of Philadelphia Office of Housing and Community Development	14.241	14-20100	07/01/13-06/30/14	\$ 1,032,327
<u>U.S. Department of Health and Human Services</u>				
Pass-through PA Department of Health, Division of Child and Adult Health Services Street Smart	93.092	4100060450	07/01/13-06/30/14	114,774
Pass Through Health Resources and Services Administration Public Health Service Act - Ambulatory Care for Women and Adolescents Grant	93.153	1H12HA24852-01	08/01/12-07/31/13	50,244
Public Health Service Act - Ambulatory Care for Women and Adolescents Grant	93.153	1H12HA24852-02	08/01/13-07/31/14	299,745
Total CFDA 93.153				349,989
Pass-Through Family Planning Council HIV Care Formula Grants - Region III Chlamydia Project	93.217	124501	07/01/13-06/30/14	45,462
Pass-through Center for Substance Abuse Treatment Substance Abuse and Mental Health Services	93.243	1H79T1019828-04	09/30/13-09/29/14	113,141
Pass-through AIDS Activities Coordinating Office Behavioral Health Consultant-Clinical HIV Testing Clients -CDC SAMHSA	93.243	SA3015/1420364	9/1/13-9/29/14	4,207
Pass-through AIDS Activities Coordinating Office Behavioral Health Consultant-Clinical HIV Testing Clients -CDC SAMHSA	93.243	SA3016/1420364	9/1/13-9/29/14	10,427
Pass-through AIDS Activities Coordinating Office Behavioral Health Consultant-Clinical HIV Testing Clients -CDC SAMHSA	93.243	SA3017/1420364	9/1/13-9/29/14	30,593
Total CFDA# 93.243				158,368
Pass-through City of Philadelphia Department of Human Services Positive Youth Development	93.558	11-20229-02	07/01/13-06/30/14	99,550
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants - Case Management	93.914	RS4590/1320730	3/1/14-2/28/15	384,778
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants - Case Management	93.914	R3592/1320730	3/1/13-2/28/14	803,625
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants - Ambulatory/Outpatient Care	93.914	R3943/1320730	3/1/13-2/28/14	100,000
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants -Food Bank	93.914	RS4594/1320730	3/1/14-2/28/15	6,120

See Notes to Schedule of Expenditures of Federal, State and City Awards

**MAZZONI CENTER**  
**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2014**

Program Title	Federal CFDA No.	Grant ID/ Contract No.	Grant Period	Expenditures
<b>Federal Awards (Continued):</b>				
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants - Substance Abuse Services	93.914	RS4501/1320730	3/1/14-2/28/15	\$ 54,635
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants - Substance Abuse Services	93.914	RS3501/1320730	3/1/13-2/28/14	136,539
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants -Food Bank	93.914	RS3594/1320730	3/1/13-2/29/14	30,304
Pass-through AIDS Activities Coordinating Office City Food	93.914	G4424/1420117	7/1/13-6/30/14	11,502
Pass-through AIDS Activities Coordinating Office Ambulatory Care	93.914	G4425/1420117	7/1/13-6/30/14	23,899
Pass-through AIDS Activities Coordinating Office Behavioral Health Consultant-Clinical HIV Testing Clients -CDC SAMHSA	93.914	SA3015/1420364	9/1/13-9/29/14	2,601
Pass-through AIDS Activities Coordinating Office Behavioral Health Consultant-Clinical HIV Testing Clients -CDC SAMHSA	93.914	SA3016/1420364	9/1/13-9/29/14	4,334
Pass-through Health Federation Behavioral Health Services/HIV+	93.914	0920893-04	07/01/13-06/30/14	21,549
Total CFDA 93.914				1,579,886
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants - Food Bank	93.917	RXA4033/1420128	07/01/13-3/31/14	39,819
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants - Food Bank	93.917	RXB4033/1420128	4/1/14-6/30/14	13,273
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants - Ambulatory/Outpatient Care	93.917	RXA4034/1420128	07/01/13-3/31/14	311,079
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants - Ambulatory/Outpatient Care	93.917	RXB4034/1420128	4/1/14-6/30/14	103,693
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants -Psychosocial Support	93.917	RXA4035/1420128	07/01/13-3/31/14	3,624

See Notes to Schedule of Expenditures of Federal, State and City Awards

**MAZZONI CENTER**  
**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2014**

Program Title	Federal CFDA No.	Grant ID/ Contract No.	Grant Period	Expenditures
<b>Federal Awards (Continued):</b>				
Pass-through AIDS Activities Coordinating Office / HIV Emergency Relief Project Grants - Psychosocial Support	93.917	RXB4035/1420128	4/1/14-6/30/14	\$ 1,208
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants - Substance Abuse Services	93.917	RXA4095/1420128	07/01/13-3/31/14	27,819
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants - Substance Abuse Services	93.917	RXB4095/1420128	4/1/14-6/30/14	9,273
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants - Medical Nutritional Therapy	93.917	RXA4105/1420128	07/01/13-3/31/14	21,156
Pass-through AIDS Activities Coordinating Office HIV Emergency Relief Project Grants - Medical Nutritional Therapy	93.917	RXB4105/1420128	4/1/14-6/30/14	7,052
Pass-through Jewish Healthcare Foundation of Pittsburgh HIV Emergency Relief Project Grants	93.917	1214-5128	07/01/12-06/30/14	12,694
Total CFDA 93.917				550,690
 Pass-through Center for Disease Control HIV Prevention Activities: Non-Governmental Organization Based	 93.939	 5U65PS002490-04	 07/01/13-06/30/14	 308,675
 Pass-through AIDS Activities Coordinating Office HIV Prevention Activities - Health Department Based - CTR	 93.940	 CPA4015/1220455-02	 1/1/14-12/31/14	 92,404
Pass-through AIDS Activities Coordinating Office HIV Prevention Activities - Health Department Based - CTR	93.940	CPA3015/1220455-01	1/1/13-12/31/13	175,873
Pass-through AIDS Activities Coordinating Office HIV Prevention Activities - Health Department Based - RISK COUNSELING	93.940	CPA4016/1220455-02	1/1/14-12/31/14	23,142
Pass-through AIDS Activities Coordinating Office HIV Prevention Activities - Health Department Based - RISK COUNSELING	93.940	CPA3016/1220455-01	1/1/13-12/31/13	31,239
Pass-through AIDS Activities Coordinating Office HIV Prevention Activities - Health Department Based - 3MV	93.940	CPA4017/1220455-02	1/1/14-12/31/14	40,841
Pass-through AIDS Activities Coordinating Office HIV Prevention Activities - Health Department Based - 3MV	93.940	CPA3017/1220455-01	1/1/13-12/31/13	42,148
Pass-through AIDS Activities Coordinating Office HIV Prevention Activities - Health Department Based - Social Network	93.940	CPB3001/1220455-01	1/1/13-12/31/13	78,981
Pass-through AIDS Activities Coordinating Office HIV Prevention Activities - Health Department Based - Social Network	93.940	CPA4055/1220455-02	1/1/14-12/31/14	91,772
Pass-through AIDS Activities Coordinating Office HIV Prevention Activities - Health Department Based - HERR/HR (3MV)	93.940	CPA3050/1220455-01	1/1/13-12/31/13	43,499
Total CFDA 93.940				619,899

See Notes to Schedule of Expenditures of Federal, State and City Awards

**MAZZONI CENTER**  
**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2014**

Program Title	Federal CFDA No.	Grant ID/ Contract No.	Grant Period	Expenditures
<b>Federal Awards (Continued):</b>				
Pass-through Department of Public Health Preventive Health Services - Sexually Transmitted Disease Control Grants - Syphilis	93.977	1220472	02/01/13-01/31/14	\$ 15,840
Pass-through Department of Public Health Preventive Health Services - Sexually Transmitted Disease Control Grants - Syphilis	93.977	1220472-01	02/01/14-01/31/15	15,600
Total CFDA 93.977				31,440
Pass-through PA Department of Health, Division of Child and Adult Health Services Adolescent Medical Care	93.994	4100060308	07/01/13-06/30/14	150,000
Total U.S. Department of Health and Human Services				4,008,733
<u>U.S. Department of Homeland Security</u>				
Pass-through Emergency Food and Shelter Program (EFSP) Food Bank	97.024	7310-00 078	07/01/13-06/30/14	9,824
Total Federal Awards				5,050,884
<b>State Awards:</b>				
<u>Commonwealth of Pennsylvania</u>				
Pass-through Jewish Healthcare Foundation of Pittsburgh-HIV	N/A	1214-5128	07/01/12-06/30/14	6,556
Pass-through AIDS Activity Coordinating Office - CTR	N/A	Z4110/1420116	07/01/13-12/31/13	41,062
Pass-through AIDS Activity Coordinating Office - CTR	N/A	Z4121/1420388	01/01/14-06/30/14	42,500
Pass-through AIDS Activity Coordinating Office - CTR	N/A	Z4115/1420388	01/01/14-12/31/14	50,000
Pass-through AIDS Activity Coordinating Office - HIV Prevention	N/A	S4005/1420217	07/01/13-06/30/14	19,702
Total State Awards				159,820

See Notes to Schedule of Expenditures of Federal, State and City Awards

**MAZZONI CENTER**  
**SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2014**

Program Title	Federal CFDA No.	Grant ID/ Contract No.	Grant Period	Expenditures
<b>City Awards:</b>				
<u>Philadelphia Department of Public Health</u>				
Pass-through AIDS Activity Coordinating Office - City Food	N/A	G4424/1420117	07/01/13-06/30/14	\$ 3,498
Pass-through AIDS Activity Coordinating Office - Ambulatory Care	N/A	G4425/1420117	07/01/13-06/30/14	11,101
Pass-through AIDS Activity Coordinating Office				
HIV Prevention Activities - Health Department Based - CTR	N/A	CPA4015/1220455-02	1/1/14-12/31/14	91,498
Total Pass-Through AIDS Activities Coordinating Office				<u>106,097</u>
Pass-through PHMC - Tokens	N/A	TOKENS	07/01/13-06/30/14	<u>7,618</u>
Total City Awards				<u>113,715</u>
Total Federal, State and City Awards				<u>\$ 5,324,419</u>

See Notes to Schedule of Expenditures of Federal, State and City Awards

**MAZZONI CENTER**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL, STATE AND CITY AWARDS**  
**YEAR ENDED JUNE 30, 2014**

**NOTE 1 GENERAL INFORMATION**

The accompanying Schedule of Expenditures of Federal, State and City Awards present the activities in all the federal, state and city award programs of Mazzoni Center. All financial assistance received directly from federal agencies as well as financial assistance passed through other governmental agencies or nonprofit organizations are included on the schedule.

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying Schedule of Expenditures of Federal, State and City Awards are presented on the accrual basis of accounting. The amounts reported in this schedule as expenditures may differ from certain financial reports submitted to federal, state or city agencies due to those reports being submitted on either a cash or modified accrual basis of accounting.

**NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

Federal, state and city awards expenditures are reported in the financial statements as program services in the statement of functional expenses. In certain programs, the expenditures reported in the basic financial statements may differ from the expenditures reported in the Schedule of Expenditures of Federal, State and City Awards due to program expenditures exceeding grant or contract budget limitations which are not included as federal and city awards.

**NOTE 4 SUBRECIPIENT**

Of the federal expenditures presented in the Schedule of Expenditures of Federal, State and City Awards, Mazzoni Center provided federal awards to a subrecipient as follows:

Program Title	Federal CFDA Number	Amount Provided To Subrecipient
Public Health Service Act - Ambulatory Care for Women and Adolescents Grant	93.153	<u>\$ 213,313</u>

**NOTE 5 ABBREVIATIONS**

Philadelphia Health Management Corporation has been abbreviated to "PHMC" on the accompanying schedule.

**MAZZONI CENTER**  
**SCHEDULE 1 – AACO CONTRACT NUMBER 1420128**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number RXA4033</u>	<u>Award Number RXB4033</u>
Direct Expenditures		
Personnel:		
Salaries	\$ 17,784	\$ 5,928
Fringe Benefits	5,349	1,601
Total Personnel Expenditures	<u>23,133</u>	<u>7,529</u>
Operating:		
Equipment	-	-
Travel	-	-
Supplies	8,160	2,776
Subcontract	-	-
Occupancy	4,047	1,352
Communications	337	69
Leased Rentals and Maintenance	-	-
Insurance	600	220
Total Operating Expenditures	<u>13,144</u>	<u>4,417</u>
Total Direct Expenditures	36,277	11,946
Indirect Expenditures	<u>3,542</u>	<u>1,327</u>
Total Expenditures	39,819	13,273
Program Revenue	<u>-</u>	<u>-</u>
Net AACO Funded Expenditures	<u>\$ 39,819</u>	<u>\$ 13,273</u>

**MAZZONI CENTER**  
**SCHEDULE 1 – AACO CONTRACT NUMBER 1420128 (CONTINUED)**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number RXA4034</u>	<u>Award Number RXB4034</u>
Direct Expenditures		
Personnel:		
Salaries	\$ 146,953	\$ 49,446
Fringe Benefits	28,535	9,056
Total Personnel Expenditures	<u>175,488</u>	<u>58,502</u>
Operating:		
Equipment	-	-
Travel	-	-
Supplies	88,077	29,105
Subcontract	14,090	4,697
Occupancy	-	-
Communications	817	218
Leased Rentals and Maintenance	-	-
Insurance	1,499	802
Total Operating Expenditures	<u>104,483</u>	<u>34,822</u>
Total Direct Expenditures	279,971	93,324
Indirect Expenditures	<u>31,108</u>	<u>10,369</u>
Total Expenditures	311,079	103,693
Program Revenue	<u>-</u>	<u>-</u>
Net AACO Funded Expenditures	<u>\$ 311,079</u>	<u>\$ 103,693</u>

**MAZZONI CENTER**  
**SCHEDULE 1 – AACO CONTRACT NUMBER 1420128 (CONTINUED)**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number RXA4035</u>	<u>Award Number RXB4035</u>
Direct Expenditures		
Personnel:		
Salaries	\$ 2,462	\$ 805
Fringe Benefits	667	240
Total Personnel Expenditures	<u>3,129</u>	<u>1,045</u>
Operating:		
Equipment	-	-
Travel	-	-
Supplies	51	14
Subcontract	-	-
Occupancy	-	-
Communications	27	8
Leased Rentals and Maintenance	-	-
Insurance	55	20
Total Operating Expenditures	<u>133</u>	<u>42</u>
Total Direct Expenditures	3,262	1,087
Indirect Expenditures	<u>362</u>	<u>121</u>
Total Expenditures	3,624	1,208
Program Revenue	<u>-</u>	<u>-</u>
Net AACO Funded Expenditures	<u>\$ 3,624</u>	<u>\$ 1,208</u>

**MAZZONI CENTER**  
**SCHEDULE 1 – AACO CONTRACT NUMBER 1420128 (CONTINUED)**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number RXA4095</u>	<u>Award Number RXB4095</u>
Direct Expenditures		
Personnel:		
Salaries	\$ 19,139	\$ 6,841
Fringe Benefits	5,204	1,261
Total Personnel Expenditures	<u>24,343</u>	<u>8,102</u>
Operating:		
Equipment	-	-
Travel	-	-
Supplies	256	102
Subcontract	-	-
Occupancy	-	-
Communications	155	25
Leased Rentals and Maintenance	-	-
Insurance	283	117
Total Operating Expenditures	<u>694</u>	<u>244</u>
Total Direct Expenditures	25,037	8,346
Indirect Expenditures	<u>2,782</u>	<u>927</u>
Total Expenditures	27,819	9,273
Program Revenue	<u>-</u>	<u>-</u>
Net AACO Funded Expenditures	<u>\$ 27,819</u>	<u>\$ 9,273</u>

**MAZZONI CENTER**  
**SCHEDULE 1 – AACO CONTRACT NUMBER 1420128 (CONTINUED)**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number RXA4105</u>	<u>Award Number RXB4105</u>
Direct Expenditures		
Personnel:		
Salaries	\$ 7,559	\$ 2,445
Fringe Benefits	1,307	529
Total Personnel Expenditures	<u>8,866</u>	<u>2,974</u>
Operating:		
Equipment	-	-
Travel	-	-
Supplies	67	20
Subcontract	10,002	3,510
Occupancy	-	-
Communications	38	8
Leased Rentals and Maintenance	-	-
Insurance	67	30
Total Operating Expenditures	<u>10,174</u>	<u>3,568</u>
Total Direct Expenditures	19,040	6,542
Indirect Expenditures	<u>2,116</u>	<u>510</u>
Total Expenditures	21,156	7,052
Program Revenue	<u>-</u>	<u>-</u>
Net AACO Funded Expenditures	<u>\$ 21,156</u>	<u>\$ 7,052</u>

**MAZZONI CENTER**  
**SCHEDULE 2 – AACO CONTRACT NUMBER 14-20364**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number SA3015</u>	<u>Award Number SA3016</u>
Direct Expenditures		
Personnel:		
Salaries	\$ 4,150	\$ 9,446
Fringe Benefits	733	1,588
Total Personnel Expenditures	<u>4,883</u>	<u>11,034</u>
Operating:		
Equipment	-	-
Travel	-	-
Supplies	107	179
Subcontract	-	-
Occupancy	651	1,069
Communications	63	101
Leased Rentals and Maintenance	153	259
Insurance	132	220
Total Operating Expenditures	<u>1,106</u>	<u>1,828</u>
Total Direct Expenditures	5,989	12,862
Indirect Expenditures	<u>819</u>	<u>1,899</u>
Total Expenditures	6,808	14,761
Program Revenue	<u>-</u>	<u>-</u>
Net AACO Funded Expenditures	<u>\$ 6,808</u>	<u>\$ 14,761</u>

**MAZZONI CENTER**  
**SCHEDULE 2 – AACO CONTRACT NUMBER 14-20364 (CONTINUED)**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number SA3017</u>
Direct Expenditures	
Personnel:	
Salaries	\$ 18,024
Fringe Benefits	5,519
Total Personnel Expenditures	<u>23,543</u>
Operating:	
Equipment	-
Travel	-
Supplies	335
Subcontract	-
Occupancy	1,995
Communications	187
Leased Rentals and Maintenance	466
Insurance	404
Total Operating Expenditures	<u>3,387</u>
Total Direct Expenditures	26,930
Indirect Expenditures	<u>3,663</u>
Total Expenditures	30,593
Program Revenue	<u>-</u>
Net AACO Funded Expenditures	<u>\$ 30,593</u>

**MAZZONI CENTER**  
**SCHEDULE 3 – AACO CONTRACT NUMBER 1420388**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number Z4121</u>	<u>Award Number Z4115</u>
Direct Expenditures		
Personnel:		
Salaries	\$ 24,942	\$ 26,951
Fringe Benefits	6,734	8,380
Total Personnel Expenditures	<u>31,676</u>	<u>35,331</u>
Operating:		
Equipment	-	-
Travel	-	-
Supplies	2,439	4,423
Subcontract	-	-
Occupancy	3,198	4,071
Communications	288	400
Leased Rentals and Maintenance	-	-
Insurance	649	775
Total Operating Expenditures	<u>6,574</u>	<u>9,669</u>
Total Direct Expenditures	38,250	45,000
Indirect Expenditures	<u>4,250</u>	<u>5,000</u>
Total Expenditures	42,500	50,000
Program Revenue	<u>-</u>	<u>-</u>
Net AACO Funded Expenditures	<u><u>\$ 42,500</u></u>	<u><u>\$ 50,000</u></u>

**MAZZONI CENTER**  
**SCHEDULE 4 – AACO CONTRACT NUMBER 1420116**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<b>Award Number Z4110</b>
Direct Expenditures	
Personnel:	
Salaries	\$ 21,498
Fringe Benefits	5,954
Total Personnel Expenditures	27,452
Operating:	
Equipment	-
Travel	-
Supplies	5,135
Subcontract	-
Occupancy	3,454
Communications	331
Leased Rentals and Maintenance	-
Insurance	584
Total Operating Expenditures	9,504
Total Direct Expenditures	36,956
Indirect Expenditures	4,106
Total Expenditures	41,062
Program Revenue	-
Net AACO Funded Expenditures	\$ 41,062

**MAZZONI CENTER**  
**SCHEDULE 5– AACO CONTRACT NUMBER 1420217**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<b>Award Number S4005</b>
Direct Expenditures	
Personnel:	
Salaries	\$ 11,429
Fringe Benefits	3,021
Total Personnel Expenditures	14,450
Operating:	
Equipment	-
Travel	-
Supplies	1,357
Subcontract	-
Occupancy	1,480
Communications	165
Leased Rentals and Maintenance	-
Insurance	278
Total Operating Expenditures	3,280
Total Direct Expenditures	17,730
Indirect Expenditures	1,972
Total Expenditures	19,702
Program Revenue	-
Net AACO Funded Expenditures	\$ 19,702

**MAZZONI CENTER**  
**SCHEDULE 6 – AACO CONTRACT NUMBER 1220455-01**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number CPB3001</u>	<u>Award Number CPA3050</u>
Direct Expenditures		
Personnel:		
Salaries	\$ 47,533	\$ 26,977
Fringe Benefits	10,505	4,468
Total Personnel Expenditures	<u>58,038</u>	<u>31,445</u>
Operating:		
Equipment	-	-
Travel	-	-
Supplies	2,684	2,855
Subcontract	-	-
Occupancy	6,332	3,599
Communications	705	452
Leased Rentals and Maintenance	1,229	-
Insurance	1,241	473
Total Operating Expenditures	<u>12,191</u>	<u>7,379</u>
Total Direct Expenditures	70,229	38,824
Indirect Expenditures	<u>8,752</u>	<u>4,675</u>
Total Expenditures	78,981	43,499
Program Revenue	<u>-</u>	<u>-</u>
Net AACO Funded Expenditures	<u>\$ 78,981</u>	<u>\$ 43,499</u>

**MAZZONI CENTER**  
**SCHEDULE 6 – AACO CONTRACT NUMBER 1220455-01 (CONTINUED)**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number CPA3015</u>	<u>Award Number CPA3016</u>
Direct Expenditures		
Personnel:		
Salaries	\$ 91,358	\$ 18,323
Fringe Benefits	20,813	4,348
Total Personnel Expenditures	<u>112,171</u>	<u>22,671</u>
Operating:		
Equipment	-	-
Travel	-	-
Supplies	26,407	1,473
Subcontract	-	-
Occupancy	13,960	2,812
Communications	1,291	261
Leased Rentals and Maintenance	2,253	455
Insurance	2,293	461
Total Operating Expenditures	<u>46,204</u>	<u>5,462</u>
Total Direct Expenditures	158,375	28,133
Indirect Expenditures	<u>17,498</u>	<u>3,106</u>
Total Expenditures	175,873	31,239
Program Revenue	<u>-</u>	<u>-</u>
Net AACO Funded Expenditures	<u>\$ 175,873</u>	<u>\$ 31,239</u>

**MAZZONI CENTER**  
**SCHEDULE 6 – AACO CONTRACT NUMBER 1220455-01 (CONTINUED)**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number CPA3017</u>
Direct Expenditures	
Personnel:	
Salaries	\$ 21,772
Fringe Benefits	5,438
Total Personnel Expenditures	<u>27,210</u>
Operating:	
Equipment	-
Travel	6,524
Supplies	609
Subcontract	-
Occupancy	2,907
Communications	236
Leased Rentals and Maintenance	434
Insurance	330
Total Operating Expenditures	<u>11,040</u>
Total Direct Expenditures	38,250
Indirect Expenditures	<u>3,898</u>
Total Expenditures	42,148
Program Revenue	<u>-</u>
Net AACO Funded Expenditures	<u><u>\$ 42,148</u></u>

**MAZZONI CENTER**  
**SCHEDULE 7 – AACO CONTRACT NUMBER 1220455-02**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number CPA4015</u>	<u>Award Number CPA4016</u>
Direct Expenditures		
Personnel:		
Salaries	\$ 93,865	\$ 15,895
Fringe Benefits	30,889	1,482
Total Personnel Expenditures	<u>124,754</u>	<u>17,377</u>
Operating:		
Equipment	-	-
Travel	3,682	-
Supplies	14,218	490
Subcontract	-	-
Occupancy	15,228	1,285
Communications	1,544	117
Leased Rentals and Maintenance	3,864	414
Insurance	3,110	333
Total Operating Expenditures	<u>41,646</u>	<u>2,639</u>
Total Direct Expenditures	166,400	20,016
Indirect Expenditures	<u>17,502</u>	<u>3,126</u>
Total Expenditures	183,902	23,142
Program Revenue	<u>-</u>	<u>-</u>
Net AACO Funded Expenditures	<u>\$ 183,902</u>	<u>\$ 23,142</u>

**MAZZONI CENTER**  
**SCHEDULE 7 – AACO CONTRACT NUMBER 1220455-02 (CONTINUED)**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<b>Award Number CPA4017</b>	<b>Award Number CPA4055</b>
Direct Expenditures		
Personnel:		
Salaries	\$ 18,409	\$ 47,784
Fringe Benefits	5,814	12,749
Total Personnel Expenditures	24,223	60,533
Operating:		
Equipment	-	-
Travel	7,536	-
Supplies	501	10,756
Subcontract	-	-
Occupancy	2,997	7,534
Communications	301	769
Leased Rentals and Maintenance	766	1,905
Insurance	617	1,527
Total Operating Expenditures	12,718	22,491
Total Direct Expenditures	36,941	83,024
Indirect Expenditures	3,900	8,748
Total Expenditures	40,841	91,772
Program Revenue	-	-
Net AACO Funded Expenditures	\$ 40,841	\$ 91,772

**MAZZONI CENTER**  
**SCHEDULE 8 – AACO CONTRACT NUMBER 14-20117**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number G4424</u>	<u>Award Number G4425</u>
Direct Expenditures		
Personnel:		
Salaries	\$ 6,384	\$ 22,704
Fringe Benefits	2,044	5,544
Total Personnel Expenditures	<u>8,428</u>	<u>28,248</u>
Operating:		
Equipment	-	-
Travel	-	-
Supplies	3,474	632
Subcontract	-	-
Occupancy	1,095	1,838
Communications	108	174
Leased Rentals and Maintenance	194	301
Insurance	201	307
Total Operating Expenditures	<u>5,072</u>	<u>3,252</u>
Total Direct Expenditures	13,500	31,500
Indirect Expenditures	<u>1,500</u>	<u>3,500</u>
Total Expenditures	15,000	35,000
Program Revenue	<u>-</u>	<u>-</u>
Net AACO Funded Expenditures	<u>\$ 15,000</u>	<u>\$ 35,000</u>

**MAZZONI CENTER**  
**SCHEDULE 9 – AACO CONTRACT NUMBER 1320730**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number RS4960</u>	<u>Award Number R3592</u>
Direct Expenditures		
Personnel:		
Salaries	\$ 246,985	\$ 543,189
Fringe Benefits	<u>71,489</u>	<u>140,299</u>
Total Personnel Expenditures	318,474	683,488
Operating:		
Equipment	-	-
Travel	2,690	-
Supplies	5,967	10,244
Subcontract	-	-
Occupancy	-	-
Communications	3,113	5,658
Leased Rentals and Maintenance	8,605	12,121
Insurance	<u>7,193</u>	<u>10,310</u>
Total Operating Expenditures	<u>27,568</u>	<u>38,333</u>
Total Direct Expenditures	346,042	721,821
Indirect Expenditures	<u>38,736</u>	<u>81,804</u>
Total Expenditures	384,778	803,625
Program Revenue	<u>-</u>	<u>-</u>
Net AACO Funded Expenditures	<u>\$ 384,778</u>	<u>\$ 803,625</u>

**MAZZONI CENTER**  
**SCHEDULE 9 – AACO CONTRACT NUMBER 1320730 (CONTINUED)**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number RS3501</u>	<u>Award Number RS4501</u>
Direct Expenditures		
Personnel:		
Salaries	\$ 94,498	\$ 34,668
Fringe Benefits	24,137	11,693
Total Personnel Expenditures	<u>118,635</u>	<u>46,361</u>
Operating:		
Equipment	-	-
Travel	-	-
Supplies	1,843	672
Subcontract	-	-
Occupancy	-	-
Communications	947	371
Leased Rentals and Maintenance	2,103	1,025
Insurance	1,381	858
Total Operating Expenditures	<u>6,274</u>	<u>2,926</u>
Total Direct Expenditures	124,909	49,287
Indirect Expenditures	<u>11,630</u>	<u>5,348</u>
Total Expenditures	136,539	54,635
Program Revenue	<u>-</u>	<u>-</u>
Net AACO Funded Expenditures	<u>\$ 136,539</u>	<u>\$ 54,635</u>

**MAZZONI CENTER**  
**SCHEDULE 9 – AACO CONTRACT NUMBER 1320730 (CONTINUED)**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<u>Award Number R3943</u>	<u>Award Number RS3594</u>
Direct Expenditures		
Personnel:		
Salaries	\$ 47,503	\$ 4,428
Fringe Benefits	9,499	1,310
Total Personnel Expenditures	<u>57,002</u>	<u>5,738</u>
Operating:		
Equipment	-	-
Travel	-	-
Supplies	33,066	20,397
Subcontract	-	-
Occupancy	-	787
Communications	-	63
Leased Rentals and Maintenance	-	142
Insurance	10	115
Total Operating Expenditures	<u>33,076</u>	<u>21,504</u>
Total Direct Expenditures	90,078	27,242
Indirect Expenditures	<u>9,922</u>	<u>3,062</u>
Total Expenditures	100,000	30,304
Program Revenue	<u>-</u>	<u>-</u>
Net AACO Funded Expenditures	<u>\$ 100,000</u>	<u>\$ 30,304</u>

**MAZZONI CENTER**  
**SCHEDULE 9 – AACO CONTRACT NUMBER 1320730 (CONTINUED)**  
**STATEMENT OF PROGRAM EXPENDITURES AND PROGRAM REVENUE**  
**YEAR ENDED JUNE 30, 2014**

	<b>Award Number R4594</b>
Direct Expenditures	
Personnel:	
Salaries	\$ 2,185
Fringe Benefits	716
Total Personnel Expenditures	2,901
Operating:	
Equipment	-
Travel	-
Supplies	2,050
Subcontract	-
Occupancy	403
Communications	38
Leased Rentals and Maintenance	107
Insurance	89
Total Operating Expenditures	2,687
Total Direct Expenditures	5,588
Indirect Expenditures	532
Total Expenditures	6,120
Program Revenue	-
Net AACO Funded Expenditures	\$ 6,120

**MAZZONI CENTER**  
**STATEMENT OF SOURCE AND STATUS OF FUNDS**  
**CONTRACT NUMBER 14-20100**  
**YEAR ENDED JUNE 30, 2014**

	HOPWA CDBG Funds	Program Income	Other City Funds	Non City Funds	Total
Total Contract (Final Authorized Budget)	\$ 1,127,520	\$ -	\$ -	\$ -	\$ 1,127,520
Less:					
Funds Drawn Down - Prior Fiscal Year	-	-	-	-	-
Funds Drawn Down - Current Fiscal Year	<u>1,032,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,032,327</u>
Total Funds Drawn Down	<u>1,032,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,032,327</u>
Funds Still Available for Draw Down	<u>\$ 95,193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,193</u>
Add:					
Program Income	-	-	-	-	-
Total Funds Received	\$ 1,032,327	\$ -	\$ -	\$ -	\$ 1,032,327
Less:					
Program Income Expended	-	-	-	-	-
Funds Applied - Prior Fiscal Year	-	-	-	-	-
Funds Applied - Current Fiscal Year	<u>1,032,327</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,032,327</u>
Total Funds Applied	1,032,327	-	-	-	1,032,327
Total Funds Due From Funding Source	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Total Funds Available For Disposition	<u>\$ 95,193</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 95,193</u>

**MAZZONI CENTER  
SCHEDULE OF PROGRAM EXPENDITURES  
CONTRACT NUMBER 14-20100  
YEAR ENDED JUNE 30, 2014**

Contract Categories	Project Budget				Accrued Expenditures Prior to 7/1/2014			
	HOPWA	Other	Other	Total	HOPWA	Other	Other	Total
	Funds	City	Non City	Funds	Funds	City	Non City	Funds
Direct Personnel	\$ 138,867	\$ -	\$ -	\$ 138,867	\$ -	\$ -	\$ -	\$ -
Direct Fringe Benefits	37,494	-	-	37,494	-	-	-	-
Admin Personnel	51,705	-	-	51,705	-	-	-	-
Admin Fringe	13,961	-	-	13,961	-	-	-	-
Direct Travel	3,000	-	-	3,000	-	-	-	-
Direct Occupancy	20,304	-	-	20,304	-	-	-	-
Admin Occupancy	4,927	-	-	4,927	-	-	-	-
Direct Consumable Supplies	2,438	-	-	2,438	-	-	-	-
Admin Consumable Supplies	599	-	-	599	-	-	-	-
Direct Insurance	3,675	-	-	3,675	-	-	-	-
Admin Insurance	904	-	-	904	-	-	-	-
Direct Monthly Rents	811,000	-	-	811,000	-	-	-	-
Direct Security Deposits	29,000	-	-	29,000	-	-	-	-
Direct Equipment Lease/Maintenance	7,742	-	-	7,742	-	-	-	-
Admin Equipment Lease/Maintenance	1,904	-	-	1,904	-	-	-	-
Other Costs	-	-	-	-	-	-	-	-
Indirect	-	-	-	-	-	-	-	-
Operating Subtotal	1,127,520	-	-	1,127,520	-	-	-	-
Audit Costs	-	-	-	-	-	-	-	-
Contract Total	<u>\$ 1,127,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,127,520</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**MAZZONI CENTER**  
**SCHEDULE OF PROGRAM EXPENDITURES (CONTINUED)**  
**CONTRACT NUMBER 14-20100**  
**YEAR ENDED JUNE 30, 2014**

			Accrued Expenditures Cumulative to June 30, 2014			
Other City Funds	Other Non City Funds	Total Funds	HOPWA Funds	Other City Funds	Other Non City Funds	Total Funds
\$ -	\$ -	\$ -	\$ 138,867	\$ -	\$ -	\$ 138,867
-	-	-	37,494	-	-	37,494
-	-	-	51,705	-	-	51,705
-	-	-	13,961	-	-	13,961
-	-	-	3,000	-	-	3,000
-	-	-	20,304	-	-	20,304
-	-	-	4,927	-	-	4,927
-	-	-	2,438	-	-	2,438
-	-	-	599	-	-	599
-	-	-	3,675	-	-	3,675
-	-	-	870	-	-	870
-	-	-	741,804	-	-	741,804
-	-	-	3,037	-	-	3,037
-	-	-	7,742	-	-	7,742
-	-	-	1,904	-	-	1,904
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	1,032,327	-	-	1,032,327
-	-	-	-	-	-	-
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,032,327</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,032,327</u>

**MAZZONI CENTER  
SCHEDULE OF PROGRAM REVENUE  
CONTRACT NUMBER 14-20100  
YEAR ENDED JUNE 30, 2014**

	Sale Proceeds	Other (Specify)	Total
Program Income (Cumulative to June 30, 2014)	\$ -	\$ -	\$ -
Less: Program Income Expended in Prior Years	<u>-</u>	<u>-</u>	<u>-</u>
Beginning Balance July 1, 2013	-	-	-
Add: Program Income Received in Current Fiscal Year	-	-	-
Less: Program Income Expended in Current Fiscal Year	<u>-</u>	<u>-</u>	<u>-</u>
Ending Balance as of June 30, 2014	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

**MAZZONI CENTER  
RECONCILIATION SCHEDULE  
CONTRACT NUMBER 14-20100  
YEAR ENDED JUNE 30, 2014**

	HOPWA Amount Per Books and Records	Amounts Per Invoices as of June 30, 2014	Differences
Contract Amount	\$ 1,127,520	\$ 1,127,520	\$ -
Program Cost:			
Current Year	1,032,327	1,032,327	-
Cumulative	1,032,327	1,032,327	-
Funds Drawn Down:			
Current Year	952,241	952,241	-
Cumulative	952,241	952,241	-
Balance Due to Agency (Mazzoni Center)	80,086	80,086	-

Notes:

The Balance Due to Agency (Mazzoni Center) consists of June 2014 outstanding invoice, which was received by Mazzoni in August 2014.

**INDEPENDENT AUDITORS' 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**

Board of Directors  
Mazzoni Center  
Philadelphia, Pennsylvania

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 Mazzoni Center, which comprise the statement of financial position as of June 30, 2014, 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 October 27, 2014.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Mazzoni Center'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 Mazzoni Center's internal control. Accordingly, we do not express an opinion on the effectiveness of Mazzoni Center'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. 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.

Board of Directors  
Mazzoni Center

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Mazzoni Center'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 result of that testing, and not to provide an opinion on the effectiveness of the entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 27, 2014



**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR FEDERAL PROGRAM, ON INTERNAL CONTROL OVER COMPLIANCE, AND ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS IN ACCORDANCE WITH OMB CIRCULAR A-133**

Board of Directors  
Mazzoni Center  
Philadelphia, Pennsylvania

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

We have audited Mazzoni Center's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Mazzoni Center's major federal programs for the year ended June 30, 2014. Mazzoni Center's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of Mazzoni Center'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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and the City of Philadelphia Sub-recipient Audit Guide. Those standards, OMB Circular A-133 and the City of Philadelphia Sub-recipient Audit Guide 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 Mazzoni Center'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 Mazzoni Center's compliance.

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

In our opinion, Mazzoni Center 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, 2014.

### **Report on Internal Control Over Compliance**

Management of Mazzoni Center 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 Mazzoni Center'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 OMB Circular A-133, 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 Mazzoni Center'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 result of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



**CliftonLarsonAllen LLP**

Plymouth Meeting, Pennsylvania  
October 27, 2014

**MAZZONI CENTER  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2014**

Section I – Summary of Auditors’ Results

*Financial Statements*

1. Type of auditors’ report issued: Unmodified
2. 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
3. Noncompliance material to financial statements noted? \_\_\_\_\_ yes        X   no

*Federal Awards*

1. Internal control over major federal 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
2. Type of auditor’s report issued on compliance for major federal programs: Unmodified
3. Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? \_\_\_\_\_ yes        X   no

***Identification of Major Federal Programs***

**CFDA Number(s)**

93.914

**Name of Federal Program or Cluster**

Pass-through City of Philadelphia AIDS Activities  
Coordinating Office – Ryan White Part A

**MAZZONI CENTER**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONTINUED)**  
**YEAR ENDED JUNE 30, 2014**

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Section I – Summary of Auditors’ Results (Continued)

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***Identification of Major Federal Programs (Continued)***

**CFDA Number(s)**

**Name of Federal Program or Cluster**

93.939

Center for Disease Control – HIV Prevention  
Activities

Dollar threshold used to distinguish between  
Type A or Type B programs was:

\$ 300,000

Auditee qualified as low-risk auditee pursuant to  
OMB Circular A-133?

yes       no

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Section II – Financial Statement Findings

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Our audit did not disclose any matters required to be reported in accordance with Government Auditing Standards.

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Section III – Findings and Questioned Costs – Major Federal Programs

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Our audit did not disclose any matters required to be reported in accordance with Section 510(a) of OMB Circular A-133.

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Section IV – Prior Year Findings

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Our audit did not disclose any prior year matters required to be reported under OMB Circular A-133.