

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
REPORT ON THE FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017
(WITH COMPARATIVE TOTALS FOR 2016
AND SUPPLEMENTARY INFORMATION)

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
YEAR ENDED JUNE 30, 2017

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statements of Iris House: A Center for Women Living with HIV, Inc. (Iris House) (a nonprofit organization), which comprise the statement of financial position as of June 30, 2017, and the related statements of activities and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Iris House as of June 30, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited Iris House's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated March 22, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2016, is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 15 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 York, New York
March 1, 2018

Jackson Friday CPA, LLC

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
STATEMENT OF FINANCIAL POSITION
JUNE 30, 2017
(With comparative figures for 2016)

ASSETS	2017	2016
<i>Current assets:</i>		
Cash and cash equivalents	\$ -	\$ -
Security deposits	84,166	85,523
Prepaid expenses	6,102	14,936
Contract and grant receivable	832,584	691,263
Medicaid/medicare receivable, net	151,039	392,872
Other receivable	389,170	311,907
<i>Total current assets</i>	1,463,061	1,496,501
<i>Property and equipment - net:</i>		
Building	773,505	845,137
Building improvements	48,607	55,135
Vehicles	-	-
Furniture and equipment	29,338	44,903
<i>Total property and equipment</i>	851,450	945,175
TOTAL ASSETS	\$ 2,314,511	\$ 2,441,676
LIABILITIES AND NET ASSETS		
<i>Current liabilities:</i>		
Accounts payable and accrued expenses	\$ 447,803	\$ 247,222
Payroll taxes payable	2,197	7,473
Loans payable/ line of credit	245,547	268,000
Contract advances	-	1,887
Due to landlord - client	19,829	19,829
<i>Total current liabilities</i>	715,376	544,411
<i>Net assets:</i>		
Unrestricted	1,494,017	1,836,347
Temporarily restricted	105,118	60,918
<i>Total net assets</i>	1,599,135	1,897,265
TOTAL LIABILITIES AND NET ASSETS	\$ 2,314,511	\$ 2,441,676

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

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2017
(With comparative totals for 2016)

SUPPORT AND REVENUE:	Unrestricted	Temporarily Restricted	Total	
			2017	2016
Corporations and foundations	\$ 175,428	\$ 105,118	\$ 280,546	\$ 310,277
Contract and grant revenue	4,060,132		4,060,132	4,312,125
Medicaid/medicare revenue	100,936		100,936	616,165
340B pharmacy revenue	156,943		156,943	140,383
Other contributions	28,801		28,801	29,099
Donated services and supplies	151,813		151,813	117,536
Special events	40,403		40,403	25,489
Program fees	202,879		202,879	209,398
Interest income	6		6	1
Other income	15,555		15,555	26,024
<i>Net assets released from restrictions:</i>				
Satisfaction of program restrictions	60,918	(60,918)	-	-
TOTAL SUPPORT AND REVENUE	4,993,814	44,200	5,038,014	5,786,497
EXPENSES:				
<i>Program activities:</i>				
Food and Nutrition Program	467,375		467,375	446,736
Scatter Site Housing Program	2,147,239		2,147,239	2,093,965
HIV Prevention Services	1,730,146		1,730,146	2,024,015
Other Programs	85,629		85,629	816,267
Total program expenses	4,430,389	-	4,430,389	5,380,983
<i>Support services:</i>				
General and administration	598,824		598,824	782,026
Fund-raising	306,931		306,931	174,044
TOTAL EXPENSES	5,336,144	-	5,336,144	6,337,053
<i>Change in net assets</i>	<i>(342,330)</i>	<i>44,200</i>	<i>(298,130)</i>	<i>(550,556)</i>
Net assets at beginning of the year	1,836,347	60,918	1,897,265	2,447,821
NET ASSETS AT END OF THE YEAR	\$ 1,494,017	\$ 105,118	\$ 1,599,135	\$ 1,897,265

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

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED JUNE 30, 2017
(With comparative figures for 2016)

CASH FLOWS FROM OPERATING ACTIVITIES	2017	2016
<i>Cash flows from operating activities:</i>		
<i>Change in net assets</i>	\$ (298,130)	\$ (550,556)
Items not requiring cash - Depreciation and amortization	93,726	101,643
Decrease/(Increases) in security deposits	1,357	7,306
(Increase)/Decrease in prepaid expenses	8,834	(2,519)
(Increases)/Decrease in contract and grant receivable	(141,321)	(215,130)
(Increases)/Decrease in medicaid/medicare receivable	241,833	681,128
Increases in other receivable	(77,263)	(76,463)
Increase/(Decrease) in accounts payable and accruals	200,581	94,148
(Decrease)/Increases in contract advances	(1,887)	(12,858)
Increases/(Decrease) in payroll taxes payable	(5,276)	3,427
Increase/(Decrease) in due to landlord - client	-	-
Net cash provided by operations	22,454	30,126
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to furniture and equipment	-	(21,710)
Net cash used by investment and financing activities	-	(21,710)
CASH FLOWS FROM FINANCING ACTIVITIES		
(Repayment)/Proceeds from loans payable/ line of credit	(22,454)	(32,000)
Net cash provided by financing activities	(22,454)	(32,000)
Change in cash and cash equivalents	-	(23,584)
Cash and cash equivalents at beginning of the year	-	23,584
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	\$ -	\$ -

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

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 1. ORGANIZATION AND OPERATIONS

Iris House: A Center for Women Living with HIV, Inc. (Iris House) is a community based organization incorporated on September 28, 1992, under the laws of the State of New York and thereafter, exempt from taxes under Section 501 (c) (3) of the Internal Revenue Code. Its primary mission is to provide social services for women, men and their families infected and affected by HIV/AIDS in a supportive and respectful environment.

Iris House provides a holistic approach to social services for persons with HIV/AIDS by offering:

- Food and nutrition services including nutritional counseling, food pantry bags and meals
- Prevention education, prevention case management and behavioral interventions
- Intense and less-intense case management including client advocacy, escorts, referrals to care, legal assistance and child case management
- Housing through apartments in NYC with case management services
- Supportive services including psychological therapy, support groups and health education

These services are provided through three locations in East Harlem, Central Harlem and Central Jersey.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Iris House have been prepared on the accrual basis of accounting and conform to generally accepted accounting principles as applicable to nonprofit organizations. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support, depending on the existence or nature of any donor's restriction.

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

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

Iris House reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Iris House reports gifts of land, buildings, and equipment as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Contributions Receivable

Unconditional contributions receivable are recognized as revenues in the period the pledge is received. Contributions receivable represent amounts committed by donors that have not been received by the organization.

Cash and Cash Equivalents

Cash equivalents represent money market funds and short-term instruments with maturity at the date of purchase of three months or less and are carried at cost, which approximates market value.

Contract Revenues

Support received under contracts with government and private foundations is recorded as public support in the unrestricted fund when the related direct costs are incurred or purpose accomplished. Reimbursement of indirect costs relating to such contributions and contracts is recorded as public support in the current unrestricted funds. Grants and contracts receivable represent amounts due for expenditures incurred or purposes accomplished prior to year end.

Functional Allocation of Expenses

Expenses are charged to each program based on direct expenditures. However, certain indirect costs, primarily, administrative salaries and related general overhead expenses are allocated to various programs based on percentage of direct payroll hours.

**IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

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

Liquidity Information

In order to provide information about liquidity, assets have been sequenced according to their convertibility to cash and liabilities according to their estimated maturity.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 3. DONATED GOODS AND SERVICES

Volunteers from the community have donated a significant number of hours in assisting Iris House in achieving the goals of its various service programs. Some organizations have also donated food to Iris House. Both donated services and goods are recognized as revenues and expenses in the statement of activities at estimated fair value at the date the services and goods were donated. The value of certain professional time and food supplies contributed by organizations and foundations are reflected in the financial statements in 2017 and 2016, respectively as follows:

	<u>2017</u>	<u>2016</u>
Food and Program Supplies	\$ <u>151,813</u>	\$ <u>117,536</u>

NOTE 4. PROPERTY AND EQUIPMENT

Property and equipment acquired by specific grants for use by Iris House are considered to be owned by Iris House while used in the program or in future authorized programs. Property, furniture, fixtures and equipment are stated at cost. The organization follows the policy of capitalizing property and equipment purchases with a cost of \$2,500 or greater.

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 4. PROPERTY AND EQUIPMENT (CONT'D.)

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

	<u>Years</u>
Buildings and Building Improvements	15-28
Vehicles, Furniture and Equipment	5

Fully depreciated assets are retained in the accounts until such assets are physically retired. Maintenance and repairs are charged to expenses as incurred.

Buildings and Building Improvements

Buildings and building improvements comprise of renovated building located at 2348 Adam Clayton Powell Jr. Boulevard, New York City that were acquired primarily through donation from the City of New York and currently occupied by Iris House. The property is recorded at full cost of renovation.

Below is the asset and depreciation cost summary:

	<u>Buildings</u>	<u>Building Improvements</u>	<u>Furniture & Equipment</u>	<u>Vehicles</u>	<u>Total</u>
Cost:					
Balance, Beginning of Year	\$1,991,492	\$ 143,420	\$ 463,556	\$ 76,260	\$2,674,728
Additions	-	-	-	-	-
Total, End of Year	<u>1,991,492</u>	<u>143,420</u>	<u>463,556</u>	<u>76,260</u>	<u>2,674,728</u>
Accumulated Depreciation:					
Balance, Beginning of Year	1,146,355	88,285	418,653	76,260	1,729,553
Charge for the year	<u>71,632</u>	<u>6,528</u>	<u>15,565</u>	<u>-</u>	<u>93,725</u>
Total, End of Year	<u>1,217,987</u>	<u>94,813</u>	<u>434,218</u>	<u>76,260</u>	<u>1,823,278</u>
Net Properties & Equipment	<u>\$ 773,505</u>	<u>\$ 48,607</u>	<u>\$ 29,338</u>	<u>\$ -</u>	<u>\$ 851,450</u>

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 5. CONTRACT AND GRANT RECEIVABLES

Contract and grant receivables at June 30, 2017 and 2016 respectively, represent primarily, uncollected billings for governmental contract and grant services and consist of the following:

	<u>2017</u>	<u>2016</u>
Food and Nutrition Program (NYS AIDS Institute)	\$ 51,690	\$ 40,392
Harm Reduction Program (PHS)	-	25,208
New York City Council (PHS)	151,022	112,782
Legislative Grants	25,980	28,500
NYC-Scatter Site Housing Program	437,771	301,758
Center for Disease Control	18,115	26,960
Community of Color (PHS)	-	7,099
Black Leadership Program	-	46,875
Family and Youth Services (FAYS)	33,681	-
Social Network Testing (PHS)	11,028	7,885
Women Seeking Women	49,906	37,956
New Jersey Department of Health	53,390	55,848
Total	<u>\$ 832,584</u>	<u>\$ 691,263</u>

NOTE 6. RESTRICTIONS ON NET ASSETS

Temporarily restricted net assets consist of grant funds that are available for specific program purposes and are as follows:

	<u>2017</u>	<u>2016</u>
Community Prevention Programs	\$ 99,674	\$ 60,918
Food & Nutrition Program	5,444	-
Total	<u>\$ 105,118</u>	<u>\$ 60,918</u>

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 6. RESTRICTIONS ON NET ASSETS (CONT'D.)

Permanently Restricted Net Assets

Permanently restricted net assets consist of grant and funds that must be preserved in perpetuity to provide income for a restricted purpose.

Net Assets Released from Restrictions

Net assets were released from restrictions by incurring expenses satisfying the restricted purposes or by the occurrence of other events specified by donors or by passage of time.

	<u>2017</u>	<u>2016</u>
Net assets released from restrictions	\$ <u>60,918</u>	\$ <u>54,523</u>

NOTE 7. CONTRACT REVENUE

Contract revenue primarily from governmental agencies consists of the following at June 30, 2017 and 2016, respectively:

	<u>2017</u>	<u>2016</u>
Food and Nutrition Services Program	\$ 225,171	\$ 205,083
Hunger Prevention and Nutrition Assistance	3,000	3,000
NYC-Scatter Site Housing Program	2,100,263	2,110,829
Harm Reduction Program (PHS)	-	162,111
NYC-DOHMH-Community of Color Program (PHS)	-	28,398
Legislative Grants	-	10,000
Capacity Building Initiative	-	75,946
New York City Council (PHS)	269,673	186,500
Black Leadership Grant Program	-	46,875
Center for Disease Control (NY)	702,501	702,501
Center for Disease Control (NJ)	242,613	242,613
Family and Youth Services (FAYS)	82,800	-
Federal Emergency Food and Shelter Program	6,694	11,620
Social Network Testing (PHS)	51,246	58,816
Women Seeking Women (NYS AIDS Institute)	201,171	217,833
New Jersey Department of Health	<u>175,000</u>	<u>250,000</u>
Total	<u>\$4,060,132</u>	<u>\$4,312,125</u>

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 8. PROGRAMS

Iris House's principal programs and their acronyms comprise of and are captioned according to funding sources as follows:

Department of Housing and Urban Development Housing Opportunities for Persons Living With AIDS

Passed through New York City Department of Human Resources Administration via HIV/AIDS Services Administration (HASA)

- Scattered Site Housing Program: Provide comprehensive services for housing placement, case management, maintenance support, substance abuse services, educational counseling (housing-enhancement) and administrative support to eligible homeless individuals living with HIV/AIDS who are clients of HASA and their families with children, intensive case management services, referrals to employment programs for training and job placement, and assistance in applying and securing financial entitlements.

NYS Department of Health and Mental Hygiene (NYSDOHMH) via AIDS Institute Component B: Nutrition Health Education and Food and Meal Services for Person Living With HIV/AIDS

- Food and Nutrition Services: Provide Nutrition Health Education through group workshops and providing individual Nutrition Health Education on an ongoing basis. Workshops include cooking classes, making healthier food choices, budgeting, lessons on how to prepare foods provided in the pantry and the importance of physical activity. Nutrition Health Education also includes visiting local green markets, screening food films and touring food-related museum exhibits. The program also provides nutrient dense pantry bags to clients and the community and offers hot meals 4 days a week. To support stress reduction, yoga classes are offered, (free of charge), on a biweekly basis to clients and members of the community.

NYC DOHMH via Public Health Solutions (PHS)

- Community of Color Initiative: Provide prevention education services to the high risk population in the Central and East Harlem, workshops on the underlying risk factors contributing to HIV infection and strategies for adopting safe behavior for HIV infection prevention for families, prevention workshops for high-risk and HIV infected teens and young adults to educate the population on HIV risk factors, prevention techniques and resource availability.

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 8. PROGRAMS (CONT'D.)

New York State Department of Health AIDS Institute (NYSDOH)

- Provide comprehensive HIV/STI/Hepatitis C (HCV) prevention services to African American and Hispanic Lesbian/WSW HIV-positive and or at high-risk adolescents ages 13+ to prevent new HIV/STI/HCV infections. Improve the target population's knowledge of their HIV, STI and HCV status, awareness of transmission risks and reduce the number of new HIV/STI/HCV infections. Participant recruitment/engagement through on-going targeted outreach at high-risk venues, collaboration with LGBT providers and provide supportive services through an array of services.

Department of Health and Human Services Substance Abuse and Mental Health Services Administration

- Educate young black heterosexual men and young men who are having sex with men (YMSM), between ages 18-24, in Substance Abuse (SA) and HIV prevention interventions. Reduce substance abuse and the transmission of HIV/AIDS among at-risk racial/ethnic minority young adults. Engage various key leaders and members of the Central/East Harlem and South Bronx communities in barber shops, community based organizations, colleges, and other community centers.

Department of Health and Human Services Center for Disease Control And Prevention

- Engage high-risk African American and Latina women, high-risk individuals and those who are unaware of their HIV status. Conduct outreach in high-risk areas where HIV is prevalent in Central and East Harlem, the South Bronx, and in hot-spot areas of high HIV incidence in New York City. Offer HIV testing, navigation services, referrals and on-going supportive services to high-risk negative individuals.

**IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017**

NOTE 9. LEASE COMMITMENTS

On December 28, 1993, Iris House entered into an initial two year non-cancelable lease agreement and is currently on month to month rental basis, for the ground floor space at 250-252- East 117th Street New York, NY 10034. The base monthly rental (excluding escalation) under this lease is \$2,983.

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

In addition, under its Scatter Site Housing program providing residential shelter for its clients, Iris House entered into sixty six (66) apartment lease agreements and acquired an additional 20 units in the Bronx with various terms of expiration and rental amounts.

The minimum annual rental commitments under each group of these leases are as follows:

<u>Year</u>	<u>SSH Leases</u>
2018	\$ 327,500
2019	<u>86,542</u>
Total	<u>\$ 414,042</u>

Rental expenses under rental lease obligations for the year ended June 30, 2017 and 2016 were \$961,315 and \$987,772, respectively.

NOTE 10. CONTRACT ADVANCES

Contract advances consist of unexpended grant awards for Social Network Testing program activity. At June 30, 2017 and 2016, Contract Advances amount to \$0 and \$1,887, respectively.

NOTE 11. PENSION PLAN

On July 1, 1993, Iris House adopted a noncontributory, trustee, and defined contribution pension plan which covers substantially all employees who become eligible after one-half year of service. Employee contributions are voluntary and are made on pre-tax basis. Employer contributions are a percentage of wages, as defined in the Master Agreement, and are discretionary. Iris House did not make any contributions to the plan during the fiscal years ended June 30, 2017 and 2016.

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2017

NOTE 11. CONCENTRATION OF CREDIT RISK

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

NOTE 13. BANK LINE OF CREDIT

In November 2000, Iris House obtained a \$300,000 line of credit arrangement with the JP Morgan Chase to provide for seasonal working capital requirements. Amount borrowed on this line of credit bear interest at a fluctuating rate per annum equal to 2.00% above the Bank's Prime Rate and is secured by its business assets. The amount borrowed and outstanding at June 30, 2017 and 2016 were \$245,547 and \$268,000 respectively. Interest expense was paid in the amount of \$24,505 for the year ended June 30, 2017.

NOTE 14. CONTRACT CONTINGENCIES

A substantial portion of the organization's total revenue is derived pursuant to contracts with Federal, State and City government agencies. The ultimate determination of income recognizable and reimbursable under these contracts generally is based upon allowable costs as audited by the various agencies. Until such audits have been completed and final settlement reached, there exists a contingency to refund any amount claimed and received in excess of allowable costs. However, in management's opinion, such audits will not have material effect on the financial statements of the organization.

NOTE 15. RECLASSIFICATION

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

NOTE 16. SUBSEQUENT EVENTS

Iris House evaluated subsequent events through March 1, 2018, which is the date the financial statements were available to be issued and concluded that no additional disclosures were required.

SUPPLEMENTARY SCHEDULE

IRIS HOUSE
A CENTER FOR WOMEN LIVING WITH HIV, INC.
SCHEDULE OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2017
(With comparative totals for 2016)

EXPENSES	Program Activities										Total
	Food & Nutrition Services	Scatter Site Housing	HIV Prevention Services	Total Government Programs	Other Programs	Total Programs	Support Services		Fund Raising	Total	
							General & Admin.	Admin.			
Salaries	\$ 180,770	\$ 617,124	\$ 844,072	\$ 1,641,966	\$ -	\$ 1,641,966	\$ 339,408	\$ 243,540	\$ 2,224,914	\$ 2,830,906	
Fringe benefits	42,634	156,621	210,303	409,558	-	409,558	67,643	36,013	513,214	573,026	
Liability insurance	1,277	49,318	776	51,371	-	51,371	12,531	-	63,902	41,434	
Consultants	21,601	29,593	343,733	394,927	9,500	404,427	31,856	350	436,633	501,956	
Printing and duplication	2,234	8,986	6,877	18,097	3,571	21,668	4,131	1,569	27,368	31,505	
Telephone	2,992	58,144	17,277	78,413	15,111	93,524	18,042	2,882	114,448	116,570	
Program supplies	7,830	-	126,336	134,166	16,804	150,970	33,032	1,032	185,034	174,009	
Furnishings	-	18,043	-	18,043	-	18,043	-	-	18,043	13,402	
Food expenses	182,245	-	-	182,245	-	182,245	1,761	-	184,006	168,499	
Recreation and educational supplies	-	631	-	631	-	631	3,235	-	3,866	10,927	
Office supplies	2,182	5,683	8,328	16,193	242	16,435	4,380	634	21,449	27,146	
Payroll processing and bank charges	2,424	15,849	16,471	34,744	-	34,744	5,131	2,821	42,696	30,291	
Parking and gas	-	12,368	83	12,451	40	12,491	352	-	12,843	20,424	
Postage and messenger service	-	3,113	2,515	5,628	-	5,628	1,342	94	7,064	12,032	
Dues and subscriptions	-	978	3,170	4,148	-	4,148	1,682	3,022	8,852	9,792	
Client travel	6,111	6,358	27,239	39,708	-	39,708	13,531	-	53,239	77,967	
Staff travel	56	3,731	11,687	15,474	199	15,673	2,964	204	18,841	22,189	
Staff training and development	-	345	10,444	10,789	16,935	27,724	10,449	-	38,173	25,509	
Rent office/storage	-	7,619	23,313	30,932	19,818	50,750	4,062	-	54,812	100,097	
Rent client apartment	-	961,054	-	961,054	-	961,054	261	-	961,315	987,772	
Utilities office	2,512	18,361	19,960	40,833	-	40,833	4,778	-	45,611	48,535	
Utilities client apartment	-	26,153	-	26,153	-	26,153	-	-	26,153	30,399	
Repairs, cleaning and maintenance	-	14,616	600	15,216	163	15,379	3,649	-	19,028	19,007	
Equipment rental and repair	-	2,928	6,311	9,239	-	9,239	2,167	-	11,406	350	
Advertising	-	90	180	270	-	270	720	-	990	1,115	
Professional fees	3,062	100,054	11,272	114,388	2,993	117,381	950	900	119,231	82,430	
Bad debts	-	-	-	-	-	-	-	-	-	235,111	
Depreciation and amortization	9,373	24,369	32,804	66,546	-	66,546	18,745	8,435	93,726	101,643	
Other expenses	72	5,110	6,395	11,577	253	11,830	12,022	5,435	29,287	43,010	
TOTAL EXPENSES	\$ 467,375	\$ 2,147,239	\$ 1,730,146	\$ 4,344,760	\$ 85,629	\$ 4,430,389	\$ 598,824	\$ 306,931	\$ 5,336,144	\$ 6,337,053	

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