



STATE OF INDIANA
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April 23, 2024

Board of Directors
AIDS Ministries - AIDS Assist of North Indiana, Inc.
St. Joseph County, Indiana

We have reviewed the audit report of AIDS Ministries - AIDS Assist of North Indiana, Inc., which was opined upon by Dulin, Ward & DeWald, Inc., Independent Public Accountants, for the period July 1, 2022 to June 30, 2023. Per the *Independent Auditors' Report* the financial statements included in the report present fairly the financial condition of AIDS Ministries - AIDS Assist of North Indiana, Inc. as of June 30, 2023 and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding included in the report on pages 29 and 30. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears on page 32.

In our opinion, Dulin, Ward & DeWald, Inc. prepared the audit report in accordance with guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

**AIDS MINISTRIES – AIDS
ASSIST OF NORTH INDIANA, INC.
AND REFRESH F5, INC.**

CONSOLIDATED FINANCIAL STATEMENTS

Year Ended June 30, 2023

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INDEPENDENT AUDITORS' REPORT

Board of Directors
AIDS Ministries-AIDS Assist of North Indiana, Inc.
and Refresh F5, Inc.
South Bend, Indiana

Opinion

We have audited the accompanying consolidated financial statements of AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc. (nonprofit organizations) which comprise the consolidating statement of financial position as of June 30, 2023, and the related consolidating statements of activities and functional expenses and consolidated statement cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc. as of June 30, 2023, and the changes in their net assets and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards 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 February 27, 2024 on our consideration of AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s internal control over financial reporting and compliance.



Fort Wayne, Indiana
February 27, 2024

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC. AND REFRESH F5, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2023

	AIDS Ministries	Refresh	Eliminations	Total
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ 83,808	128,416	\$ -	\$ 212,224
Accounts receivable	144	-	-	144
Grants and contributions receivable	494,455	55,355	(89,643)	460,167
Prepaid expenses	41,398	5,847	-	47,245
	619,805	189,618	(89,643)	719,780
Total Current Assets				
LONG-TERM ASSETS				
Loan fees - net of amortization of \$908	1,188	-	-	1,188
Operating lease right-of-use assets	20,851	15,187	-	36,038
Financing lease right-of-use assets	29,397	-	-	29,397
PROPERTY AND EQUIPMENT				
Land	52,025	-	-	52,025
Office equipment	234,514	30,865	-	265,379
Vehicles	95,068	49,150	-	144,218
Buildings	1,467,291	-	-	1,467,291
Furniture and fixtures in housing units	6,376	-	-	6,376
Improvements	547,394	-	-	547,394
	2,402,668	80,015	-	2,482,683
Accumulated depreciation	1,025,202	8,143	-	1,033,345
	1,377,466	71,872	-	1,449,338
Net Property and Equipment				
	1,428,902	87,059	-	1,515,961
Total Long-Term Assets				
	\$ 2,048,707	\$ 276,677	\$ (89,643)	\$ 2,235,741
Total Assets				

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

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC. AND REFRESH F5, INC.
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
June 30, 2023

	AIDS Ministries	Refresh	Eliminations	Total
LIABILITIES AND NET ASSETS				
CURRENT LIABILITIES				
Current portion of notes payable	\$ 22,225	\$ -	\$ -	\$ 22,225
Current portion of operating lease liabilities	6,014	6,000	-	12,014
Current portion of financing lease liabilities	7,680	-	-	7,680
Accrued payroll and liabilities	187,965	-	-	187,965
Accounts payable	46,455	117,300	(89,643)	74,112
Refundable advance	14,042	10,000	-	24,042
	<u>284,381</u>	<u>133,300</u>	<u>(89,643)</u>	<u>328,038</u>
Total Current Liabilities				
LONG-TERM LIABILITIES				
Notes payable	186,191	-	-	186,191
Operating lease liabilities	20,851	15,187	-	36,038
Financing lease liabilities	29,804	-	-	29,804
	<u>236,846</u>	<u>15,187</u>	<u>-</u>	<u>252,033</u>
Current portion	35,919	6,000	-	41,919
	<u>200,927</u>	<u>9,187</u>	<u>-</u>	<u>210,114</u>
Total Long-Term Liabilities				
Total Liabilities	485,308	142,487	(89,643)	538,152
NET ASSETS				
Without donor restrictions	1,523,646	130,635	-	1,654,281
With donor restrictions	39,753	3,555	-	43,308
	<u>1,563,399</u>	<u>134,190</u>	<u>-</u>	<u>1,697,589</u>
Total Net Assets				
Total Liabilities and Net Assets	<u>\$ 2,048,707</u>	<u>\$ 276,677</u>	<u>\$ (89,643)</u>	<u>\$ 2,235,741</u>

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

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC. AND REFRESH F5, INC.
CONSOLIDATING STATEMENT OF ACTIVITIES
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	AIDS Ministries Total	Without Donor Restrictions	With Donor Restrictions	Refresh Total	Eliminations	Total
CHANGE IN NET ASSETS								
Support and Revenues:								
Government grants - federal	\$ 2,246,115	\$ -	\$ 2,246,115	\$ 257,781	\$ -	\$ 257,781	\$ (211,493)	\$ 2,292,403
Government grants - state and local	98,109	-	98,109	1,066	-	1,066	-	99,175
Other grants	3,268	59,232	62,500	(9,000)	9,000	-	-	62,500
Contributions	25,452	-	25,452	5,829	-	5,829	-	31,281
United Way	-	36,000	36,000	-	-	-	-	36,000
Special events:								
Proceeds	5,070	-	5,070	-	-	-	-	5,070
Less direct benefit to donors	(361)	-	(361)	-	-	-	-	(361)
Rent income	31,362	-	31,362	-	-	-	-	31,362
Other income	218	-	218	25	-	25	-	243
Net Assets Released From Restrictions	<u>198,519</u>	<u>(198,519)</u>	<u>-</u>	<u>5,445</u>	<u>(5,445)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Support and Revenues	2,607,752	(103,287)	2,504,465	261,146	3,555	264,701	(211,493)	2,557,673
Expenses and Losses:								
Client services	1,886,677	-	1,886,677	284,755	-	284,755	(211,493)	1,959,939
Preventative services	466,639	-	466,639	31,909	-	31,909	-	498,548
Management and general	163,773	-	163,773	-	-	-	-	163,773
Fundraising	485	-	485	-	-	-	-	485
Return of grant	100,000	-	100,000	-	-	-	-	100,000
Loss on disposal of property and equipment	7,422	-	7,422	-	-	-	-	7,422
Total Expenses and Losses	<u>2,624,996</u>	<u>-</u>	<u>2,624,996</u>	<u>316,664</u>	<u>-</u>	<u>316,664</u>	<u>(211,493)</u>	<u>2,730,167</u>
CHANGE IN NET ASSETS	(17,244)	(103,287)	(120,531)	(55,518)	3,555	(51,963)	-	(172,494)
REFRESH NET ASSETS - January 1, 2023	-	-	-	186,153	-	186,153	-	186,153
NET ASSETS - July 1, 2022	<u>1,540,890</u>	<u>143,040</u>	<u>1,683,930</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,683,930</u>
NET ASSETS - June 30, 2023	<u>\$ 1,523,646</u>	<u>\$ 39,753</u>	<u>\$ 1,563,399</u>	<u>\$ 130,635</u>	<u>\$ 3,555</u>	<u>\$ 134,190</u>	<u>\$ -</u>	<u>\$ 1,697,589</u>

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

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC. AND REFRESH F5, INC.
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2023

	Program Services				AIDS	Program Services				
	Client Services	Preventative Services	Management and General	Fundraising	Ministries Total	Client Services	Preventative Services	Refresh Total	Eliminations	Total
Salaries	\$ 871,628	\$ 262,682	\$ 59,701	\$ -	\$ 1,194,011	\$ -	\$ -	\$ -	\$ -	\$ 1,194,011
Employee benefits	68,366	20,603	4,683	-	93,652	-	-	-	-	93,652
Payroll taxes	65,764	19,819	4,504	-	90,087	-	-	-	-	90,087
Total Salaries and Related Expenses	1,005,758	303,104	68,888	-	1,377,750	-	-	-	-	1,377,750
Client assistance	499,531	57,529	(3,767)	-	553,293	5,316	-	5,316	-	558,609
Outside services	89,381	23,174	162	-	112,717	255,360	30,771	286,131	(211,493)	187,355
Building expenses	101,358	15,132	1,529	-	118,019	1,837	338	2,175	-	120,194
Travel	40,840	9,245	25,865	-	75,950	7,121	313	7,434	-	83,384
Office expense	19,889	12,431	1,124	-	33,444	6,636	15	6,651	-	40,095
Insurance	31,731	4,973	3,281	-	39,985	-	-	-	-	39,985
Legal and accounting	-	-	24,776	-	24,776	-	-	-	-	24,776
Telephone	13,131	4,694	49	-	17,874	1,580	223	1,803	-	19,677
Training	8,939	2,182	-	-	11,121	3,859	249	4,108	-	15,229
Interest	-	-	13,494	-	13,494	-	-	-	-	13,494
Professional fees	-	-	12,442	-	12,442	-	-	-	-	12,442
Postage	2,921	481	1,190	-	4,592	-	-	-	-	4,592
Miscellaneous	-	-	494	485	979	-	-	-	-	979
Total Expenses Before Depreciation and Amortization	1,813,479	432,945	149,527	485	2,396,436	281,709	31,909	313,618	(211,493)	2,498,561
Depreciation and amortization	73,198	33,694	14,246	-	121,138	3,046	-	3,046	-	124,184
Statement of Activities Functional Expenses	1,886,677	466,639	163,773	485	2,517,574	284,755	31,909	316,664	(211,493)	2,622,745
Expenses included in support and revenue: Direct benefit to donors	-	-	-	361	361	-	-	-	-	361
Total Functional Expenses	\$ 1,886,677	\$ 466,639	\$ 163,773	\$ 846	\$ 2,517,935	\$ 284,755	\$ 31,909	\$ 316,664	\$ (211,493)	\$ 2,623,106

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

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC. AND REFRESH F5, INC.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2023

CASH FLOWS FROM OPERATING ACTIVITIES

Change in net assets	\$ (172,494)
Adjustments to reconcile change in net assets to cash flows from operating activities:	
Depreciation	117,886
Amortization	6,298
(Gain) loss on disposal of property and equipment	7,422
Changes in assets and liabilities:	
(Increase) decrease in:	
Grants and contributions receivable	(12,239)
Prepaid expenses	(12,011)
Increase (decrease) in:	
Accrued payroll and liabilities	99,240
Accounts payable	63,380
Refundable advance	24,042
	121,524
Cash Flows From Operating Activities	121,524

CASH FLOWS FROM INVESTING ACTIVITIES

Purchase of property and equipment	(156,792)
Refresh cash - January 1, 2023	121,937
	(34,855)
Cash Flows From Investing Activities	(34,855)

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on financing leases	(5,472)
Payments on notes payable	(11,770)
	(17,242)
Cash Flows From Financing Activities	(17,242)

INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	69,427
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CASH AND CASH EQUIVALENTS - July 1, 2022	142,797
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CASH AND CASH EQUIVALENTS - June 30, 2023	\$ 212,224
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The accompanying notes are an integral part of these financial statements.

**AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
AND REFRESH F5, INC.**

NOTES TO FINANCIAL STATEMENTS

June 30, 2023

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

AIDS Ministries-AIDS Assist of North Indiana, Inc.'s d/b/a Health Plus Indiana (AIDS Ministries) mission is to help create a world that supports and enhances the lives of people infected with and affected by HIV and AIDS. AIDS Ministries provides both client services and preventive services. Client services include care coordination, housing programs, social support, medical needs assessment, and provides direct assistance and support for those infected and/or affected by HIV/AIDS in northern Indiana. Prevention programs include education, a resource center, preventive educational services, testing, and counseling for members of the community.

Refresh F5, Inc. d/b/a Health Plus Clinic (Refresh) is a separate 501(c)(3) organization that exists to provide free testing to the community, community outreach, support and prevention for HIV. Effective January 1, 2023, AIDS Ministries took control of Refresh's board of directors and as such, the consolidated financial statements include the accounts of AIDS Ministries-AIDS Assist of North Indiana, Inc. for the year ended June 30, 2023 and Refresh F5, Inc. for the six months ended June 30, 2023. All significant balances and transactions between AIDS Ministries and Refresh have been eliminated in these financial statements.

Income Taxes

AIDS Ministries and Refresh are exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and have been classified as organizations that are not private foundations under Section 509(a) of the Internal Revenue Code.

Recent Accounting Guidance

During 2023, the Organizations adopted ASU 2016-02, Leases (Topic 842), as required by U.S. GAAP. This ASU will require organizations that lease assets to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by the leases. The Organizations adopted this standard on July 1, 2022, and elected not to restate comparative periods in the period of adoption. The cumulative effect of initially applying the new standard resulted in the addition of \$2,134 of operating lease right-of-use assets and \$2,134 operating lease liabilities to the statement of financial position.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The Organizations elected the package of practical expedients and to not separate lease and nonlease components for all leases. The Organizations have elected the short-term lease exemption for all leases with a term of 12 months or less for both existing and ongoing operating leases to not recognize the asset and liability for these leases. Lease payments for short-term leases are recognized on a straight-line basis.

Estimates

The process of preparing financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

Cash and Cash Equivalents

For the purposes of the statement of cash flows, the Organizations consider all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

Receivables

The Organizations provide an allowance for doubtful accounts, if considered necessary, which is based on management's estimate of losses that will be incurred in the collection of all receivables.

Property and Equipment

Property and equipment are stated at cost or, if donated, at fair value at the date of the gift. The Organizations follow the policy of providing depreciation on the straight-line method for financial reporting purposes over the estimated useful lives of the related assets. Items with a cost in excess of \$1,000 and a useful life in excess of one year are capitalized.

Net Assets

Net assets without donor restrictions are available for use at the discretion of the Organizations' management and the board of directors. From time to time the board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

(continued)

1. **ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Organizations report gifts of cash and other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. If a donor restriction is satisfied in the period the gift is received, the support is reported as net assets without donor restrictions.

Revenue and Revenue Recognition

A portion of the Organizations' revenue is derived from cost-reimbursable federal, state and local grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when the Organizations have incurred expenditures in compliance with specific contract or grant provisions. Amounts received prior to incurring qualifying expenditures are reported as refundable advances in the statement of financial position.

The Organizations recognize contributions as public support when cash, other assets or an unconditional promise is received. Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been met.

Contributed nonfinancial assets are recognized as support and expense or property and equipment and are recorded at market value as of the date received. The Organization also receives substantial contributions of nonprofessional services. The fair market value of the donated nonprofessional services is not reflected in the financial statements because it does not meet the recognition criteria set forth in FASB ASC 958-605.

The Organizations record special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place.

Rent income is recognized as revenue at the time building space is provided.

Other income is recognized as revenue when received.

(continued)

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Functional Allocation of Expense

The costs of providing the Organizations' programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses allocated based on time and effort include salaries and related expenses. Expenses allocated based on square footage include building expenses, insurance, office expense, telephone, postage, and depreciation and amortization.

Subsequent Events

Management has evaluated subsequent events through February 27, 2024 the date which the financial statements were available for issue.

2. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable consist primarily of amounts due under government cost reimbursement grants. All receivables are due within one year.

3. INVESTMENT

In July 2019, the AIDS Ministries became a 50% owner of a new pharmacy created as a C-corporation. AIDS Ministries has no control over the pharmacy and therefore the equity method is not applied to the investment and its activity is not consolidated in these financial statements. The pharmacy, which operates on a calendar year, started operations in February 2020. AIDS Ministries' investment in the pharmacy will be valued based on the reporting entities measurement date (December 31) each year.

(continued)

3. INVESTMENT (continued)

Per FASB ASC 321-10-35-2, if an equity security does not have a readily determinable fair value and does not qualify for the practical expedient to estimate fair value using net asset value in accordance with FASB ASC 820-10-35-59, a nonprofit may elect to measure that equity security at its cost minus impairment, if any. AIDS Ministries does not qualify for the practical expedient and has elected to measure the investment using the guidance in FASB ASC 321-10-35-2 and will reassess each year whether the investment qualifies to be measured in accordance with FASB ASC 321-10-35-2. AIDS Ministries has no cost in the investment as of the measurement date of December 31, 2022; therefore, no amount has been recorded at June 30, 2023 on the Organization's financial statements.

4. LEASES – RIGHT-OF-USE ASSETS AND LIABILITIES

The following leases related assets and liabilities are recorded on the statement of financial position as of June 30, 2023.

Assets:

Operating lease right-of-use assets	\$ 36,038
Financing lease right-of-use assets	<u>29,397</u>
	<u>\$ 65,435</u>

Liabilities:

Operating lease liabilities	\$ 36,038
Financing lease liabilities	<u>29,804</u>
	<u>\$ 65,842</u>

The Organizations lease equipment under operating leases expiring through fiscal year 2028. Total rental expense under these leases was \$12,355 for 2023.

The Organizations lease facilities under operating leases expiring in fiscal year 2023. Total rental expense under the leases was \$2,000 for 2023.

(continued)

4. LEASES – RIGHT-OF-USE ASSETS AND LIABILITIES (continued)

Minimum future lease payments under noncancelable operating leases having initial or remaining terms of one year or more as of June 30, 2023 for each of the next five years and in the aggregate are:

2024	\$	12,014
2025		11,279
2026		9,034
2027		5,034
2028		839
2029 and thereafter		<u>-</u>
		38,200
Less imputed interest		<u>2,162</u>
Operating lease liabilities	\$	<u>36,038</u>
Weighted average remaining lease term		2.69 years
Weighted average discount rate		3.42%

Minimum future lease payments under noncancelable financing leases having initial or remaining terms of one year or more as of June 30, 2023 for each of the next five years and in the aggregate are:

2024	\$	7,680
2025		7,680
2026		7,680
2027		7,680
2028		1,280
2029 and thereafter		<u>-</u>
		32,000
Less imputed interest		<u>2,196</u>
Operating lease liabilities	\$	<u>29,804</u>
Weighted average remaining lease term		4.17 years
Weighted average discount rate		3.64%

The amount of interest for financing leases charged to operations was \$927 in 2023.

5. LINE OF CREDIT

AIDS Ministries has available at June 30, 2023 a \$200,000 line of credit with First Source Bank. Interest, which is computed monthly on the unpaid balance, is at prime rate plus 2.00% (10.25% at June 30, 2023). The note, which is secured by all business assets of AIDs Ministries, expires May 2024. There was no amount outstanding at June 30, 2023 on the line of credit.

The amount of interest charged to operations was \$1,776 in 2023.

6. NOTES PAYABLE

Notes payable consist of the following:

Note payable to First Source Bank in monthly installments of \$1,638 including interest at 5.42%, secured by real estate, due May 1, 2026.	\$ 181,087
Note payable to Ally Bank in monthly installments of \$239 including interest at 7.79%, secured by a vehicle, due May 6, 2025.	<u>5,104</u>
	<u>\$ 186,191</u>

Maturities on the notes payable are as follows:

2024	\$ 22,225
2025	\$ 22,194
2026	\$ 141,772

The amount of interest charged to operations was \$10,791 in 2023.

7. REFRESH

On January 1, 2023 AIDS Ministries took control of Refresh, a separate 501(c)(3) organization. As a result, \$186,153 of net assets without donor restrictions were added to the consolidated financial statements on January 1. In addition, the following assets were added.

Cash	\$ 121,937
Grants and contributions receivable	63,543
Property and equipment – net	<u>673</u>
	<u>\$ 186,153</u>

8. NET ASSETS

Net assets with donor restrictions are restricted for the following as of June 30, 2023:

Time purpose:	
Future periods	\$ 7,500
Specific purpose:	
Direct emergency financial assistance	14,300
Direct emergency financial assistance – Refresh	1,936
COVID assistance	10,185
Innovation	5,100
Adolescent champion model – Refresh	1,619
Team HEAT – heating utilities assistance	1,392
Other programs	<u>1,276</u>
	<u>\$ 43,308</u>

Net assets were released from donor restrictions as follows for the year ended June 30, 2023:

Satisfaction of time restrictions:	
Future periods	\$ 112,500

(continued)

8. NET ASSETS (continued)

Satisfaction of purpose restrictions:

Family support	\$ 25,000
Innovation	19,900
Direct emergency financial assistance	11,181
Direct emergency financial assistance – Refresh	2,064
Doors and windows	10,000
Team HEAT – heating utilities assistance	7,561
After care program	3,640
Intern pay	3,623
Adolescent champion model – Refresh	3,381
Other programs	2,596
Pantry	2,000
COVID assistance	<u>518</u>
	<u>\$ 203,964</u>

Net assets without donor restrictions include undesignated net assets of \$1,654,281 at June 30, 2023.

9. GOVERNMENT GRANTS – STATE AND LOCAL

The Organizations received the following state and local government grants during the year ended June 30, 2023.

State of Indiana:

Indiana Department of Health	\$ 99,175
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10. RENT INCOME

AIDS Ministries collects rent on a month-to-month basis from clients living in the Organization’s housing units. The monthly rent is not fixed for any properties and is calculated based on the clients’ income levels. Total rental income recognized from these leases was \$12,162 for 2023.

(continued)

10. RENT INCOME (continued)

AIDS Ministries also leases, portions of its building to two other organizations under year to year operating leases calling for monthly payments of \$800 and \$600. Total rental income recognized from these leases was \$7,200 for 2023.

In addition, AIDS Ministries receives rent in the amount of \$1,500 per month for facility space from the pharmacy that it is a 50% owner of in Note 3 under a two-year operating lease. The operating lease expired June 2023 but has an option to renew for one additional term. Total rental income recognized from this lease was \$12,000 for 2023.

11. PENSION PLAN

AIDS Ministries sponsors a defined contribution SIMPLE plan under Section 408(p) of the Internal Revenue Code. The plan covers any full-time employee who has passed their 90-day probationary period. AIDS Ministries matches up to 3% contributed by the employees. Contributions to the plan charged to operations were \$14,304 in 2023.

12. STATEMENT OF CASH FLOWS

Cash used in operating activities included interest paid of \$13,494 in 2023.

Noncash investing and financing activities include the following Refresh balances as of January 1, 2023 as a result of AIDS Ministries taking control of Refresh.

Grants and contributions receivable	\$	63,543
Property and equipment – net	\$	673

13. AVAILABILITY AND LIQUIDITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of June 30, 2023, comprise the following:

Cash and cash equivalents	\$	212,224
Accounts receivable		144
Grants and contributions receivable		<u>460,167</u>
Total financial assets		672,535

(continued)

13. AVAILABILITY AND LIQUIDITY (continued)

Less net assets not available within one year:

Net assets with donor restrictions:

Specific purpose \$ (35,808)

Financial assets available to meet general
expenditures within one year \$ 636,727

In addition to financial assets available to meet general expenditures over the next year, the Organization also receives monthly grant reimbursements that support the Organization's general operations. Additionally, the Organization has available a line of credit that may be utilized.

14. CONCENTRATIONS

The Organizations receive substantial support from the federal government. A significant reduction in the level of this support, if it were to occur, may have an effect on the Organizations' programs and activities. Claims for federally supported programs are filed and reimbursed on a monthly basis.

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC. AND REFRESH F5, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Agency/ Pass-Through Agency/ Program Title	Assistance Listing Number	Agency or Pass-Through Number	Sub - Recipients	Revenue Recognized	Expenditures
U.S. Department of Housing and Urban Development:					
Passed through City of Elkhart, Indiana:					
Community Development Block Grant	14.218	Unknown	\$ -	\$ 10,000	\$ 10,000
Passed through City of South Bend, Indiana:					
Emergency Shelter Operations and Rapid Rehousing Activities	14.231	21-JE-02	-	1,890	1,890
Emergency Shelter Operations and Rapid Rehousing Activities	14.231	22-JE-02	-	18,840	18,840
		Subtotal 14.231	-	20,730	20,730
Passed through Indiana Housing and Community Development Authority:					
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	CC-020-001-C	-	195,337	195,337
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	CC-022-001	-	220,723	220,723
Housing Opportunities for Persons with AIDS (HOPWA) CARES Act	14.241	CC-CV-02-0002	-	1,887	1,887
		Subtotal 14.241	-	417,947	417,947
Continuum of Care Program	14.267	IN0174L5H022107	-	118,116	118,116
U.S. Department of the Treasury:					
Passed through Indiana State Department of Health:					
Coronavirus State Fiscal Recovery Funds (CSFRF)	21.027	23-1598	-	19,383	19,383
Coronavirus State Fiscal Recovery Funds (CSFRF)	21.027	000065943	-	150,808	150,808
Passed through The Health Foundation of Greater Indianapolis, Inc.:					
Hepatitis C Services Expansion	21.027	23-1608	-	13,035	13,035
		Subtotal 21.027	-	183,226	183,226
U.S. Department of Health and Human Services:					
Passed through National Foundation For The Centers For Disease Control and Prevention, Inc.:					
Strengthening Public Health Systems and Services through National Partnerships to Improve and Protect the Nation's Health	93.421	4627	-	82,543	82,543

(continued)

See independent auditors' report.

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2023

Federal Agency/ Pass-Through Agency/ Program Title	Assistance Listing Number	Agency or Pass-Through Number	Sub - Recipients	Revenue Recognized	Expenditures
(continued)					
U.S. Department of Health and Human Services:					
Passed through Indiana State Department of Health:					
HIV Care Formula/Ryan White Part B (Ryan White Part B Rebates)	93.917	00046850	\$ -	\$ 1,065,734	\$ 1,065,734
HIV Care Formula/Ryan White Part B (Integrated HIV Prevention and Surveillance)	93.917	23-1619	-	10,000	10,000
HIV Care Formula/Ryan White Part B (Integrated HIV Prevention and Surveillance)	93.917	00058356	-	61,420	61,420
Passed through Indiana AIDS Fund:					
HIV Care Formula/Ryan White Part B	93.917	22-1538	-	33,085	33,085
HIV Care Formula/Ryan White Part B	93.917	23-1611	-	30,040	30,040
HIV Care Formula/Ryan White Part B (Region 2 Zero Is Possible (ZIP) Coalition)	93.917	21-1552	-	1,368	1,368
HIV Care Formula/Ryan White Part B (Region 2 Zero Is Possible (ZIP) Coalition)	93.917	21-1520	-	2,775	2,775
		Subtotal 93.917	-	1,204,422	1,204,422
Ryan White Part C Outpatient EIS Program	93.918	H76HA49237-01-00	-	888	888
Passed through Indiana State Department of Health:					
Integrated HIV Prevention and Surveillance	93.940	0004988	-	92,281	92,281
Integrated HIV Prevention and Surveillance	93.940	00072111	-	88,031	88,031
HIV Prevention Activities Health Department Based Program	93.940	00073066	-	22,518	22,518
		Subtotal 93.940	-	202,830	202,830
Passed through Indiana Family Social Services Administration:					
Substance Abuse Mental Health Services Administration (SAMHSA) Prevention and Treatment Bock Grants for COVID-19 Relief	93.959	00059137	-	51,701	51,701
			\$ -	\$ 2,292,403	\$ 2,292,403

See independent auditors' report.

**AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
AND REFRESH F5, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
June 30, 2023**

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc. under programs of the federal government for the year ended June 30, 2023. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the Organizations, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organizations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

3. INDIRECT COST RATE

The Organizations have elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Offices Located in Ft. Wayne and Marion Indiana

**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

AIDS Ministries-AIDS Assist of North Indiana, Inc.
and Refresh F5, Inc.
South Bend, Indiana

We have audited, in accordance with the 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, the financial statements of AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc. which comprise the consolidating statement of financial position as of June 30, 2023, and the related consolidating statements of activities and functional expenses and consolidated statement of cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated February 27, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s internal control over financial reporting (internal control) as a basis for designing 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 AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'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.



Fort Wayne, Indiana
February 27, 2024



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

Board of Directors
AIDS Ministries-AIDS Assist of North Indiana, Inc.
and Refresh F5, Inc.
South Bend, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s major federal programs for the year ended June 30, 2023. AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc. 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, 2023.

Basis for Opinion on Each Major Federal Program

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 in Government Auditing Standards, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditors' Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s federal programs.

Auditors' Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgement made by a reasonable user of the report on compliance about AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s compliance with the requirements of each major federal program as whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, and the Uniform Guidance, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of AIDS Ministries-AIDS Assist of North Indiana, Inc. and Refresh F5, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 the internal control over compliance was for the limited purpose described in the Auditors' Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Fort Wayne, Indiana
February 27, 2024

**AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
AND REFRESH F5, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023**

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal Control over financial reporting:

Material weakness(es) identified? X Yes ___ No

Significant deficiency(ies) identified that
are not considered to be material
weakness(es)? ___ Yes X None
Reported

Noncompliance material to financial statements
noted? ___ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ Yes X No

Significant deficiency(ies) identified that
are not considered to be material
weakness(es)? ___ Yes X None
Reported

Type of report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to
be reported in accordance with 2 CFR section
200.516(a)? ___ Yes X No

(continued)

**AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
AND REFRESH F5, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023**

(continued)

Identification of Major Programs:

Assistance Listing Number	Name of Federal Program or Cluster
93.917	HIV CARE Formula Grants/Ryan White Part B
Dollar threshold used to distinguish between type A and type B programs: \$ 750,000	
Auditee qualified as low-risk? <u> X </u> Yes <u> </u> No	

Section II - Financial Statement Findings

Assistance Listing Title and Number: 93.917 HIV CARE Formula Grants/Ryan White Part B
Name of Federal Agency: U.S. Department of Health and Human Services.

2023-001 Material Adjustment

Criteria: Management is responsible for preparing financial statements in accordance with accounting principles generally accepted in the United States of America.

Condition: Insufficient controls over financial reporting. A material audit adjustment was required to prevent the financial statements from being materially misstated.

Cause: During fiscal year 2023, AIDS Ministries took control of the Refresh board of directors resulting in consolidated financial statements for the year ended June 30, 2023. The activity recorded for federal grants on Refresh’s accounts were not recorded properly and thus material journal entries were required to correct the activity.

Effect: Could result in undetected errors and irregularities and misstated interim financial reports. The risk with this condition is that necessary adjustments to the financial statements to record material misstatements may be missed and there is no control in place to detect and correct this condition.

Questioned Costs: None noted.

Recommendation: Improve internal controls to prevent these types of adjustments. Ensure processes are in place to include all fiscal year activity for the year.

(continued)

**AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
AND REFRESH F5, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2023**

(continued)

Views of Responsible Officials and Planned Corrective Actions: See corrective action plan on page 32.

Section III - Federal Award Findings and Questioned Costs

No material weaknesses or instances of noncompliance, including questioned costs noted.

**AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
AND REFRESH F5, INC.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2023**

No prior year findings.

Corrective Action

For the Year Ended June 30, 2023

Responsible Person – Leeah Hopper, Executive Director

Anticipated Completion Date – June 30, 2024

Section II - Financial Statement Findings

2023-001 Material Adjustments

Views of Responsible Officials and Planned Corrective Actions: Prior to the merger of Refresh and AIDS Ministries/AIDS Assist, the financial statements and policies for Refresh were not monitored consistently by previous management/board of directors.

Since the merger Refresh has adopted all financial policies of AIDS Ministries/AIDS Assist. Management will incorporate financial reporting internal controls to detect material adjustments, prevent materially misstated financial statements and increase the accuracy of the interim financial reports used by management for Refresh accounts.



Leeah Hopper, Executive Director
AIDS Ministries/AIDS Assist



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