



STATE OF INDIANA
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January 30, 2014

Board of Directors
Aids Task Force, Inc.
525 Oxford St.
Fort Wayne, IN 46806

We have reviewed the audit report prepared by Haines, Isenbarger & Skiba, LLC, Independent Public Accountants, for the period January 1, 2009 to December 31, 2009. In our opinion, the audit report was prepared in accordance with the guidelines established by the State Board of Accounts. Per the Independent Public Accountants' opinion, the financial statements included in the report present fairly the financial condition of the Aids Task Force, Inc., as of December 31, 2009, and the results of its operations for the period then ended, on the basis of accounting described in the report.

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

STATE BOARD OF ACCOUNTS

Financial Statements and
Other Financial Information

AIDS TASK FORCE, INC.

*Years ended December 31, 2009 and 2008
with Report of Independent Auditors*

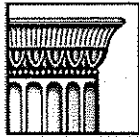
AIDS Task Force, Inc.

Financial Statements and
Other Financial Information

Years ended December 31, 2009 and 2008

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HAINES, ISENBERGER & SKIBA, LLC
CERTIFIED PUBLIC ACCOUNTANTS

Report of Independent Auditors

The Board of Directors
AIDS Task Force, Inc.

We have audited the accompanying statements of financial position of the AIDS Task Force, Inc. as of December 31, 2009 and 2008, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the AIDS Task Force, Inc.'s management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the AIDS Task Force, Inc. at December 31, 2009 and 2008 and the results of its operations, changes in its net assets, and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Our audits were conducted for purposes of forming an opinion on the financial statements for the years ended December 31, 2009 and 2008 taken as a whole. The accompanying schedule of government funds received for the year ended December 31, 2009 and schedule of contributions and grants for the years ended December 31, 2009 and 2008 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in our audits of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

Haines, Isenbarger & Skiba, LLC

March 22, 2010

AIDS Task Force, Inc.

Statements of Financial Position

	December 31	
	2009	2008
Assets		
Cash and cash equivalents	\$ 153,441	\$ 184,013
Receivables:		
Pledges	48,014	71,000
Reimbursement claims—government grants	58,498	56,129
Other	2,823	2,735
	109,335	129,864
Prepaid expenses	16,249	13,644
Beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	3,309	2,745
Land, building, and equipment:		
Land and improvements	43,000	43,000
Building and improvements	705,593	705,593
Equipment	177,587	177,587
	926,180	926,180
Less accumulated depreciation	557,203	506,179
	368,977	420,001
Total assets	\$ 651,311	\$ 750,267
 Liabilities and net assets		
Liabilities:		
Accounts payable	\$ 3,833	\$ 8,106
Accrued compensation	16,136	13,418
Tenant deposits	2,550	3,070
Mortgage note payable	7,183	12,058
Total liabilities	29,702	36,652
Net assets:		
Unrestricted	472,519	544,288
Temporarily restricted	149,090	169,327
Total net assets	621,609	713,615
Total liabilities and net assets	\$ 651,311	\$ 750,267

See accompanying notes.

AIDS Task Force, Inc.

Statements of Activities and Changes in Net Assets

	Year ended December 31					
	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Support, revenues, and gains						
Contributions and grants	\$ 22,305	\$ 214,142	\$ 236,447	\$ 9,787	\$ 261,323	\$ 271,110
Government grants	522,039	-	522,039	497,922	-	497,922
United Way	34,467	6,000	40,467	33,705	-	33,705
Special events	59,498	-	59,498	76,167	-	76,167
Medicaid fees	52,634	-	52,634	37,421	-	37,421
Rent	36,445	-	36,445	38,860	-	38,860
Investment income	945	-	945	1,113	-	1,113
Miscellaneous	2,103	-	2,103	1,660	-	1,660
Total support, revenues, and gains	730,436	220,142	950,578	696,635	261,323	957,958
before net assets released from restrictions	240,379	(240,379)	-	224,663	(224,663)	-
Net assets released from restrictions	970,815	(20,237)	950,578	921,298	36,660	957,958
Total support, revenues, and gains						
Expenses						
Direct services	776,931	-	776,931	700,045	-	700,045
Residential services	97,186	-	97,186	98,276	-	98,276
Management and general	119,912	-	119,912	114,558	-	114,558
Fundraising	48,555	-	48,555	47,358	-	47,358
Total expenses	1,042,584	-	1,042,584	960,237	-	960,237
Increase (decrease) in net assets						
Net assets at beginning of year	(71,769)	(20,237)	(92,006)	(38,939)	36,660	(2,279)
Net assets at end of year	544,288	169,327	713,615	583,227	132,667	715,894
Net assets at end of year	\$ 472,519	\$ 149,090	\$ 621,609	\$ 544,288	\$ 169,327	\$ 713,615

See accompanying notes.

AIDS Task Force, Inc.

Statement of Functional Expenses

Year ended December 31, 2009

	Program Services		Supporting Services		Total
	Direct Services	Residential Services	Management and General	Fundraising	
Salaries	\$403,074	\$ 10,469	\$ 83,756	\$ 26,174	\$ 523,473
Employee benefits	53,890	2,156	12,215	3,593	71,854
Payroll taxes	29,857	1,194	6,768	1,990	39,809
Total salaries and related expenses	486,821	13,819	102,739	31,757	635,136
Conferences, conventions, and meetings	7,421	-	252	4,906	12,579
Dues, subscriptions, and permits	583	-	170	57	810
Insurance	6,112	4,839	1,273	509	12,733
Interest	-	773	-	-	773
Miscellaneous	2,707	-	667	-	3,374
Occupancy	29,132	27,190	6,474	1,942	64,738
Postage	4,221	-	918	979	6,118
Printing and publications	7,481	-	919	4,725	13,125
Professional and other fees	15,885	209	3,553	1,254	20,901
Specific assistance to individuals	175,968	-	-	-	175,968
Supplies	7,572	-	1,096	1,295	9,963
Telephone	5,639	352	775	282	7,048
Travel and transportation	26,879	-	566	849	28,294
Total expenses before depreciation	776,421	47,182	119,402	48,555	991,560
Depreciation	510	50,004	510	-	51,024
Total expenses	\$776,931	\$ 97,186	\$119,912	\$ 48,555	\$1,042,584

See accompanying notes.

AIDS Task Force, Inc.

Statement of Functional Expenses

Year ended December 31, 2008

	Program Services		Supporting Services		Total
	Direct Services	Residential Services	Management and General	Fundraising Expenses	
Salaries	\$382,020	\$ 9,923	\$ 79,380	\$ 24,807	\$ 496,130
Employee benefits	49,016	1,960	11,110	3,268	65,354
Payroll taxes	28,337	1,133	6,423	1,889	37,782
Total salaries and related expenses	459,373	13,016	96,913	29,964	599,266
Conferences, conventions, and meetings	6,953	-	236	4,596	11,785
Dues, subscriptions, and permits	594	-	173	58	825
Insurance	6,280	4,972	1,308	523	13,083
Interest	-	1,159	-	-	1,159
Miscellaneous	999	1,400	1,401	53	3,853
Occupancy	28,711	26,797	6,380	1,914	63,802
Postage	3,392	-	738	787	4,917
Printing and publications	9,557	-	1,174	6,036	16,767
Professional and other fees	14,635	193	3,274	1,155	19,257
Specific assistance to individuals	127,321	-	-	-	127,321
Supplies	5,892	-	853	1,008	7,753
Telephone	7,218	451	993	361	9,023
Travel and transportation	28,607	-	602	903	30,112
Total expenses before depreciation	699,532	47,988	114,045	47,358	908,923
Depreciation	513	50,288	513	-	51,314
Total expenses	\$700,045	\$ 98,276	\$114,558	\$ 47,358	\$ 960,237

See accompanying notes.

AIDS Task Force, Inc.

Statements of Cash Flows

	Year ended December 31	
	2009	2008
Operating activities		
Decrease in net assets	\$ (92,006)	\$ (2,279)
Adjustments to reconcile decrease in net assets to net cash provided by (used in) operating activities:		
Depreciation	51,024	51,357
Loss on disposal of equipment	-	75
Changes in operating assets and liabilities:		
Receivables	20,529	(22,754)
Prepaid expenses	(2,605)	2,031
Accounts payable	(4,273)	3,946
Accrued compensation	2,718	6,129
Tenant deposits	(520)	410
Net cash provided by (used in) operating activities	(25,133)	38,915
Investing activities		
Decrease (increase) in beneficial interest in funds held by the Community Foundation of Greater Fort Wayne Inc.	(564)	1,126
Purchase of land, building, and equipment	-	(17,155)
Net cash used in investing activities	(564)	(16,029)
Financing activities		
Payments on mortgage note payable	(4,875)	(4,490)
Increase (decrease) in cash and cash equivalents	(30,572)	18,396
Cash and cash equivalents at beginning of year	184,013	165,617
Cash and cash equivalents at end of year	\$ 153,441	\$ 184,013

AIDS Task Force, Inc.

Notes to Financial Statements

December 31, 2009

1. Organization and Summary of Significant Accounting Policies

Organization

The mission of the AIDS Task Force, Inc. (AIDS Task Force) is:

to help improve the quality of life for men, women and children with HIV and AIDS, to educate the community in order to decrease the incidence of HIV and STD infection, and to increase the public's understanding of and compassionate response to HIV and AIDS.

The AIDS Task Force was begun in 1985 by a group of volunteers who saw the need to care for people infected with the disease and provide the community with accurate information. The AIDS Task Force has grown into a professional social service agency serving hundreds of individual clients each year and sharing information with the general public in northeast Indiana through annual programs and presentations.

The AIDS Task Force offers services for persons living with HIV/AIDS, their families and loved ones, persons at risk for HIV, and the general public. Case management, residential services, prevention education, and public awareness remain central to the work of the AIDS Task Force.

The AIDS Task Force is a nonprofit voluntary health and welfare organization, exempt from income tax under Section 501(c)(3) of the Internal Revenue Code (IRC), and qualifies for the 50% charitable contributions deduction limitation. The AIDS Task Force has been classified as an organization that is not a private foundation under Section 509(a) of the IRC.

Cash and Cash Equivalents

All highly liquid investments with a maturity of three months or less when purchased are considered to be cash equivalents. The AIDS Task Force maintains cash accounts at a local bank. From time to time during the year, the AIDS Task Force's cash amounts exceeded federally insured limits.

Land, Building, and Equipment

Land, building, and equipment are stated at cost or if donated, at fair value at the date of the donation, except for land, building, and equipment that have been impaired. For impaired assets,

AIDS Task Force, Inc.

Notes to Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Land, Building, and Equipment (continued)

the carrying amount is reduced to the estimated fair market value. There were no impaired assets at December 31, 2009. Items with a cost or value of \$1,500 or more and a useful life of one year or more are capitalized.

Depreciation is computed primarily by accelerated methods over the following estimated useful lives:

Land improvements	7 – 15 years
Building and improvements	7 – 27 years
Equipment	3 – 7 years

Expenditures for normal repairs and maintenance are expensed when incurred.

Net Assets

Net assets are allocated to and accounted for based upon the donor's intended purpose. Unrestricted net assets have no donor imposed restrictions placed upon them. In addition, the AIDS Task Force has received certain net assets for specific purposes or later periods of time or after specified dates, and these amounts are reported as temporarily restricted net assets. Temporarily restricted net assets include amounts whose use is limited by donor imposed stipulations that can be met and removed by actions of the AIDS Task Force pursuant to those stipulations, occurrence of a stated event, or passage of a specified time period. When donor imposed restrictions are met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restrictions. Permanently restricted net assets include amounts whose use is limited by donor imposed restrictions which stipulate that resources be maintained permanently, but permits the AIDS Task Force to expend part or all of the income derived from the donated assets for either unrestricted or temporarily restricted purposes. Resources arising from the results of operations or assets set aside by the Board of Directors are not considered to be donor restricted. As of December 31, 2009 and 2008, the AIDS Task Force had no permanently restricted net assets.

Contributions and Pledges Receivable

Contributions, including gifts, grants, bequests, pledges, and other unconditional promises to give, without restrictions or stipulations are recorded as support (revenue) in the period received. Contributions are reported as temporarily restricted or permanently restricted support if they are received with donor imposed stipulations that limit their use.

AIDS Task Force, Inc.

Notes to Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Contributions and Pledges Receivable (continued)

Contributions of assets other than cash are recorded at their fair market value. The AIDS Task Force reports gifts of 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 temporarily restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, the AIDS Task Force reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. The AIDS Task Force reclassifies these temporarily restricted net assets to unrestricted net assets at that time.

Contributions of services are recognized as revenue if the services received (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills and typically need to be purchased if not provided by donation. A substantial number of volunteers donate significant amounts of time in providing the AIDS Task Force's services; however, because the majority of donated services do not meet accounting guidelines, only limited amounts have been reported in the financial statements.

When considered necessary, the AIDS Task Force provides an allowance for doubtful receivables, which is based on historical collection experience and management's estimate of losses that will be incurred in the collection of all receivables. As of December 31, 2009 and 2008, no allowance for doubtful accounts was deemed necessary.

Government Support

Government support funded by grants is recognized as the AIDS Task Force performs the contracted services pursuant to grant agreements. Grant revenue is recognized as earned as the eligible expenses are incurred. Grant expenditures are subject to audit and acceptance by the granting agency and, as a result of such audit, adjustments could be required.

The AIDS Task Force receives a substantial amount of its support from government funds. A significant reduction in the level of this support, if this were to occur, may have an effect on the AIDS Task Force's programs and activities.

AIDS Task Force, Inc.

Notes to Financial Statements (continued)

1. Organization and Summary of Significant Accounting Policies (continued)

Special Events

AIDS Task Force recognizes revenue from special events upon their completion. Special events include the AIDS Walk and Gay Lesbian Dinner Dance. The AIDS Task Force serves as the fiscal agent for the Gay Lesbian Dinner Dance.

Advertising

Advertising costs are charged to operations when incurred. Advertising costs charged to operations were \$4,027 in 2009 and \$6,354 in 2008.

Functional Allocation of Expenses

The cost of providing the program and other activities has been summarized on a functional basis in the accompanying statements of activities and changes in net assets. Accordingly, certain costs have been allocated among the program and supporting services benefited.

Use of Estimates

Preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Actual results could differ from those estimates.

Reclassifications

Certain amounts as of and for the year ended December 31, 2008 have been reclassified to conform with the presentation as of and for the year ended December 31, 2009. The reclassifications had no impact on net assets as of December 31, 2008 or increase in net assets for the year then ended.

AIDS Task Force, Inc.

Notes to Financial Statements (continued)

2. Pledges Receivable

Pledges receivable represent unconditional promises or pledges that are expected to be collected within one year. Pledges receivable consisted of the following:

	December 31	
	2009	2008
Indiana AIDS Fund	\$ 20,000	\$ 30,000
Foellinger Foundation	10,000	30,000
MAC AIDS Fund	-	10,000
Parkview Hospital	15,000	-
The St. Joseph Community Health Foundation, Inc.	3,014	1,000
	<u>\$ 48,014</u>	<u>\$ 71,000</u>

The AIDS Task Force has received indication of an intention to give in the amount of \$12,500 from the United Way of Allen County. The expected funding is to be used for operations in 2010 and has not been recorded as an asset of the AIDS Task Force as of December 31, 2009.

3. Beneficial Interest in Funds Held by the Community Foundation of Greater Fort Wayne Inc.

The beneficial interest in the funds held and invested by the Community Foundation of Greater Fort Wayne Inc. (Community Foundation) of \$3,309 and \$2,745 at December 31, 2009 and 2008, respectively, is the result of an agreement whereby the AIDS Task Force has transferred assets to the Community Foundation and has specified itself as the beneficiary of the assets. The AIDS Task Force may draw up to a certain percent of the value of the assets each year, subject to certain conditions and limitations, but may only obtain a return of the full value of the assets upon consent of the Community Foundation.

Additionally, the Community Foundation holds funds, with a value of \$6,373 and \$4,139 at December 31, 2009 and 2008, respectively, for the benefit of the AIDS Task Force for which it has retained variance power. The AIDS Task Force is precluded from recognizing these assets held by the Community Foundation because the donors explicitly granted variance power to the Community Foundation. Accordingly, the AIDS Task Force only recognizes its annual grants by the Community Foundation from these funds as contributions.

AIDS Task Force, Inc.

Notes to Financial Statements (continued)

4. Debt Arrangements

Pursuant to a revolving line of credit arrangement with a bank, the AIDS Task Force may borrow up to \$35,000 subject to certain terms and conditions. This line of credit arrangement is secured by real estate and is due on demand. The line of credit bears interest at the prime rate plus .5% (3.75% at December 31, 2009), which is payable monthly. There were no borrowings pursuant to this revolving line of credit arrangement at December 31, 2009 and 2008.

The mortgage note payable in the amount of \$7,183 and \$12,058 at December 31, 2009 and 2008, respectively, is due to a bank in monthly installments of \$471, including interest at 8.05%. The mortgage note, which is due in 2011, is secured by land and a building.

Maturities on the mortgage note payable as of December 31, 2009 are as follows:

2010	\$ 5,290
2011	<u>1,893</u>
	<u>\$ 7,183</u>

Interest expense and interest paid was \$773 in 2009 and \$1,159 in 2008.

5. Temporarily Restricted Net Assets

Temporarily restricted net assets are to be used for the following purposes:

	December 31	
	2009	2008
Programs:		
Prevention	\$ 60,000	\$ 45,000
Client assistance	6,833	16,833
Women at Risk	11,667	21,667
Inspire	12,991	20,971
Burmese Bi-lingual Care Coordination Technician	15,932	13,189
Youth empowerment	20,000	20,000
Future periods—operating support	21,667	31,667
	\$ 149,090	\$ 169,327

AIDS Task Force, Inc.

Notes to Financial Statements (continued)

5. Temporarily Restricted Net Assets (continued)

Net assets released from donor restrictions as a result of incurring expenses to satisfy the restricted purposes or by occurrence of other events specified by donors were \$240,379 in 2009 and \$224,663 in 2008.

Unrestricted net assets of \$75,475 and \$70,514 at December 31, 2009 and 2008, respectively, have been designated by the Board of Directors as the Ryan Fund to be used for emergencies, unanticipated expenses, and extraordinary opportunities.

6. Lease Commitments

On April 8, 2008, the AIDS Task Force entered into a lease for its program service and office facilities pursuant to an operating lease expiring in 2011. The monthly rent is \$2,000 and the AIDS Task Force is obligated for utilities, insurance, and any alterations made or installed on the premises. Future minimum payments using noncancelable operating leases with initial terms of one year or more consisted of the following at December 31, 2009:

2010	\$ 24,000
2011	<u>10,000</u>
	<u>\$ 34,000</u>

Rent expense was \$24,000 in 2009 and 2008.

7. Retirement Plan

The AIDS Task Force sponsors a tax deferred annuity plan under Section 403(b) of the IRC. All employees are eligible to participate in the plan. The plan provides for employer discretionary contributions to the plan; however, the Board of Directors has not authorized any contributions to the plan for 2009 and 2008.

AIDS Task Force, Inc.

Notes to Financial Statements (continued)

8. Related Party Transactions

Certain members of the Board of Directors are employed by companies providing banking and other services to the AIDS Task Force. The fees paid to these companies were based on customary and reasonable rates for such services.

9. Subsequent Events

Management has evaluated subsequent events through March 22, 2010, the date on which the financial statements were available to be issued.

Other Financial Information

AIDS Task Force, Inc.

Schedule of Government Funds Received

Year ended December 31, 2009

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass- Through Entity Identifying Number	Expenditures
Indiana State Department of Health:			
Non-federal monies:			
Care coordination	N/A	N/A	\$ 314,975
Special populations support	N/A	N/A	44,744
Youth empowerment	N/A	N/A	15,270
Other, including fees	N/A	N/A	<u>4,419</u>
			379,408
Indiana Housing & Community Development Authority:			
Federal Agency—Department of Housing and Urban Development:			
Housing Opportunities for Persons with AIDS	14.241	CC-008-003	<u>142,631</u>
			<u>\$ 522,039</u>

Notes to Schedule

1. Basis of Presentation

This schedule includes the government awards activity of the AIDS Task Force, Inc. and is presented on the accrual basis of accounting.

AIDS Task Force, Inc.

Schedule of Contributions and Grants

	Year ended December 31	
	2009	2008
Broadway Cares / Equity Fights AIDS	\$ 5,000	\$ 5,000
Community Foundation of Greater Fort Wayne Inc.	50,000	50,000
English Bonter Mitchell Foundation	5,000	5,000
Foellinger Foundation	30,000	31,000
Indiana AIDS Fund	30,000	31,000
Journal Gazette Foundation	1,500	-
Lincoln Financial Group Foundation	60,000	60,000
MAC AIDS Fund	10,000	-
Never in Care Project	-	2,450
Parkview Hospital	16,000	20,000
Plymouth Congregational Church of Fort Wayne	1,500	1,500
The St. Joseph Community Health Foundation, Inc.	28,128	29,593
Trinity English Lutheran Church	-	5,780
Other contributions and grants	22,305	9,787
Contributions and grants—cash basis	<u>259,433</u>	<u>251,110</u>
Less pledges receivable at beginning of year	(71,000)	(51,000)
Plus pledges receivable at end of year	48,014	71,000
Contributions and grants—accrual basis	<u>\$ 236,447</u>	<u>\$ 271,110</u>