



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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October 20, 2017

Board of Directors  
Aids Resource Group of Evansville, Inc.  
201 NW Fourth Street  
Suite B-7  
Evansville, IN 47708

We have reviewed the audit report prepared by Richard A. Goelz, for the period January 1, 2015 to December 31, 2015. 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 Aids Resource Group of Evansville, Inc., as of December 31, 2015, 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.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

**AIDS RESOURCE GROUP OF EVANSVILLE, INC.**  
**(An Indiana Not-For-Profit Corporation)**

**FINANCIAL REPORT**

**DECEMBER 31, 2015**

**AIDS RESOURCE GROUP OF EVANSVILLE, INC.**  
(An Indiana Not-For-Profit Corporation)

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**Richard A. Goetz**  
**Certified Public Accountant**  
**715 N First Ave - Suite 18**  
**Evansville, Indiana 47710**  
**(812) 421-9844**

**INDEPENDENT AUDITOR'S REPORT**

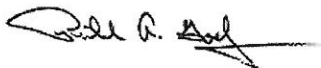
Board of Directors  
Aids Resource Group of Evansville, Inc.  
201 NW Fourth Street – Suite B-7  
Evansville, Indiana 47708

I have audited the accompanying statement of assets, liabilities, and net assets-modified cash basis of Aids Resource Group of Evansville, Inc., (An Indiana Not-For-Profit Corporation) as of December 31, 2015, and the related statements of support, revenues, and functional expenses and changes in net assets-modified cash basis and the statement of functional expenses-modified cash basis for the year then ended. These financial statements are the responsibility of the organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I 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. I believe that my audit provides a reasonable basis for my opinion.

As described in Note 1, the organization's policy is to prepare its financial statements on a modified cash basis; consequently, certain expenses are recognized when paid rather than when the obligation is incurred. Accordingly, the accompanying financial statements are not intended to present financial position and results of operations in conformity with accounting principles generally accepted in the United States of America.

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets-modified cash basis of Aids Resource Group of Evansville, Inc. as of December 31, 2015, and the support, revenues, and functional expenses and changes in net assets-modified cash basis for the year then ended, on the basis of accounting as described in Note 1.



August 2, 2016  
Evansville, Indiana

**AIDS RESOURCE GROUP OF EVANSVILLE, INC.**  
(An Indiana Not-For-Profit Corporation)

**STATEMENT OF ASSETS, LIABILITIES AND NET ASSETS-MODIFIED CASH BASIS**

December 31, 2015

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**ASSETS**

**CURRENT ASSETS**

Cash-Checking	\$ 11,672
Cash-Savings	<u>888</u>
Total Current Assets	12,560

**FIXED ASSETS**

Furniture and Equipment	25,965
Transportation Equipment	<u>39,664</u>
	65,629
Less: Accumulated Depreciation	<u>(53,701)</u>
	<u>11,928</u>

<b>TOTAL ASSETS</b>	<b>\$ <u>24,488</u></b>
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**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

\$ -0-

Net Assets	<u>24,488</u>
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<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>24,488</u></b>
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**AIDS RESOURCE GROUP OF EVANSVILLE, INC.**  
(An Indiana Not-For-Profit Corporation)

**STATEMENT OF SUPPORT, REVENUES, AND FUNCTIONAL EXPENSES AND  
CHANGES IN NET ASSETS-MODIFIED CASH BASIS**

For the Year Ended December 31, 2015

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<u><i>SUPPORT and REVENUES</i></u>	
Federal Grant Funds	\$ 167,421
State Grant Funds	365,902
Other Grants	35,359
Contributions	11,906
Fundraising	13,706
Miscellaneous Income	<u>275</u>
TOTAL SUPPORT AND REVENUES	594,569
 <u><i>FUNCTIONAL EXPENSES</i></u>	
Program Services	552,824
Supporting Services-	
Management and General	58,657
Fund Raising	<u>21,570</u>
TOTAL FUNCTIONAL EXPENSES	<u>633,051</u>
CHANGE IN NET ASSETS - MODIFIED CASH BASIS	(38,482)
Net Assets at Beginning of Year	<u>62,970</u>
NET ASSETS AT END OF YEAR	\$ <u>24,488</u>

See Notes to Financial Statements.

**AIDS RESOURCE GROUP OF EVANSVILLE, INC.**  
(An Indiana Not-For-Profit Corporation)

**STATEMENT OF FUNCTIONAL EXPENSES-MODIFIED CASH BASIS**

For the Year Ended December 31, 2015

	<u>Program</u> <u>Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Management</u> <u>and General</u>	<u>Fund</u> <u>Raising</u>	
<b><u>FUNCTIONAL EXPENSES</u></b>				
Salaries and Wages	\$ 305,565	\$ 35,949	\$ 17,974	\$ 359,488
Payroll Taxes	24,782	2,915	1,458	29,155
Employee Benefits	11,194	1,317	659	13,170
Program Expenses	150,615	-0-	-0-	150,615
Harm Reduction Supplies	1,976	-0-	-0-	1,976
Prevention Supplies	5,240	-0-	-0-	5,240
Rent	14,067	1,563	-0-	15,630
Depreciation	-0-	4,923	-0-	4,923
Equipment Rental	2,037	2,037	-0-	4,074
Fundraising Events	-0-	-0-	1,022	1,022
Insurance	7,278	4,852	-0-	12,130
Professional Fees	3,348	372	-0-	3,720
Travel	9,562	1,062	-0-	10,624
Office Supplies	5,476	644	322	6,442
Postage and Shipping	2,295	270	135	2,700
Dues, Subscriptions, and Fees	-0-	1,063	-0-	1,063
Education and Training	571	64	-0-	635
Advertising	-0-	545	-0-	545
Telecommunications	8,818	980	-0-	9,798
Miscellaneous	-0-	101	-0-	101
	<u>\$ 552,824</u>	<u>\$ 58,657</u>	<u>\$ 21,570</u>	<u>\$ 633,051</u>

See Notes to Financial Statements.

**AIDS RESOURCE GROUP OF EVANSVILLE, INC.**  
**(An Indiana Not-For-Profit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2015**

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**NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of Organization and Operations**

The Aids Resource Group of Evansville, Inc. was founded in 1991 and is an Indiana Not-For-Profit Corporation located in Evansville, Indiana. The organization receives approximately 60% of its funding from the state of Indiana through various grants. The funds received are used to provide free services directed toward preventing or slowing the spread of HIV/AIDS and to providing social services to individuals living with HIV/AIDS. The organization serves an 11 county area in southwestern Indiana.

**Basis of Accounting**

The organization maintains its accounts on a modified cash basis with a provision for the depreciation of fixed assets. Under this method of accounting, income is not recorded on the books until cash is received. Expenses incurred are not recorded until time of payment. The accompanying financial statements, therefore, do not reflect accrued income, accrued or prepaid expenses, nor the financial position and results of operations in accordance with accounting principles generally accepted in the United States of America.

**Income Taxes**

The organization is an Indiana Not-For-Profit Corporation, which qualifies as a tax-exempt, non-profit organization under Internal Revenue Code section 501(c)(3). Accordingly, no provision for federal or state income taxes is required.

**Fixed Assets**

Fixed assets are stated at cost. Depreciation is calculated using the straight-line method based on the estimated useful life of the assets.

**Estimates**

The preparation of financial statements in conformity with the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures 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 2 - NET ASSET CLASSIFICATIONS**

The financial statements have been prepared in accordance with Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." SFAS No. 117 requires, among other things, that the financial statements report the changes in and total of each of the net asset classes, based upon donor restrictions, as applicable. Net assets are to be classified as unrestricted, temporarily restricted, and permanently restricted.

**AIDS RESOURCE GROUP OF EVANSVILLE, INC.**  
**(An Indiana Not-For-Profit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2015**

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**NOTE 3 – LEASE AGREEMENTS**

The organization's office is located in the Old Courthouse under a renewable lease agreement. The lease agreement expires January 31, 2017. Monthly payments under the lease agreement are \$ 1,303 per month, increasing to \$ 1,389 beginning February 1, 2016. The lease expense under this agreement for the year ended December 31, 2015 was \$ 15,630.

The organization also leases a copier and postage meter with monthly payments totaling approximately \$ 350 per month.

**NOTE 4 – FUNCTIONAL ALLOCATION OF EXPENSES**

Expenses specifically identified as relating to one of the functional categories are charged accordingly. Other expenses related to more than one category are allocated based on management's estimated percentages.

**NOTE 5 - DEFINED CONTRIBUTION PLAN**

The Company adopted a defined contribution retirement plan in the form of a Simple IRA Plan. Total costs associated with the plan were \$ 8,772 for the year ended December 31, 2015.

**NOTE 6 - VULNERABILITY DUE TO CERTAIN CONCENTRATIONS**

The organization is substantially funded by various grants awarded by the federal government and by the state of Indiana. The majority of the grants contain provisions, which permit the grants to be terminated or the funds reduced if the unit of government does not appropriate an adequate amount of funds to maintain the present funding levels. Any excess funds on hand from federal and state grants at termination date would be subject to refund if such funds exceeded the accrued expenditures allowable under the grants. Such changes may occur with little notice.

**NOTE 7 – PROGRAM INFORMATION**

The Company's receives various grants that provide funds to meet the individual Program objectives. The Programs the Company administrates are as follows:

**Care Coordination**

ARG has been providing HIV Care Coordination services to its southwestern Indiana region since 1991. The program is funded by the Indiana State Department of Health and was created through an initiative to better health outcomes for people living with HIV/AIDS. HIV Care Coordination is specialized case management for persons living with HIV/AIDS. Each client is assigned a Care Coordinator upon intake and will continue to work with that individual to access benefits such as SSI/SSDI, medical coverage (Indiana Comprehensive or Medicaid/Medicare), food stamps, medical care, job referrals, dental care, transportation, housing assistance and other necessary referrals. Each case manager is specially trained to provide quality case management services to all ARG clients. All Care Coordination services are free of charge and available to persons with proof of HIV status (Care Coordinators can help in retrieving this information) and a valid Indiana ID Card or driver's license.

**AIDS RESOURCE GROUP OF EVANSVILLE, INC.**  
**(An Indiana Not-For-Profit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2015**

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**NOTE 7 – PROGRAM INFORMATION (continued)**

The Company's receives various grants that provide funds to meet the individual Program objectives. The Programs the Company administrates are as follows:

**SPSP**

The Special Populations Support Program is funded by the Indiana State Department of Health and encourages those at-risk for and infected with HIV with concurrent substance abuse issues to improve health outcomes through risk and harm reduction techniques. This program has two components, as outlined below.

**HIV Testing and Counseling:** The HIV Testing Counselor provides HIV and Hepatitis testing to individuals that have risk factors associated with substance use (past and present). The Testing Counselor works with substance abuse treatment facilities and facilities within the Department of Corrections (state and local) to access participants. Basic HIV and STD information is provided to participants.

**Supportive Care:** The Supportive Care Counselor provides substance abuse counseling to people living with HIV/AIDS. Although enrollment in Care Coordination is highly encouraged, it is not mandatory. The Supportive Care Counselor utilizes the Stages of Change Theory and harm reduction methods to assist motivated clients to reduce drug and alcohol use. Tobacco cessation courses are also provided. Support groups are available.

**CTR**

ARG is funded by the Indiana State Department of Health to provide HIV pre and post-test counseling services to those at-risk for HIV in southwestern Indiana. Currently, ARG targets populations at greater risk for HIV including African-American females, homeless individuals and men who have sex with men (MSM). However, those with identified risk-factors may come in for a test regardless of population. All testing services are free of charge.

**CRCS**

CRCS is funded by the Indiana State Department of Health and provides client-centered, one-on-one counseling with the purpose of managing and reducing risk factors for transmitting HIV through goal setting and behavioral changes. Individuals who are newly diagnosed with HIV, recently getting back into care or non-HIV+ individuals with increased risk factors are recruited for this program internally and through community referrals. Sessions are conducted weekly beginning with an initial assessment, and are guided by that assessment through the duration of the program. CRCS services typically last from three to twelve weeks, with some continuing up to one year. A voluntary support group is available for participants who complete the program and mentoring is available to new participants upon intake.

**AIDS RESOURCE GROUP OF EVANSVILLE, INC.**  
**(An Indiana Not-For-Profit Corporation)**

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2015**

**NOTE 7 – PROGRAM INFORMATION – (Continued)**

**HOPWA**

Housing Opportunities for Persons with AIDS (HOPWA) funding is granted to ARG through the Indiana Housing and Community Development Authority. Eligible clients who are enrolled with the Housing Specialist may receive housing assistance through the HOPWA program. Potentially eligible clients must be referred to the program by an ARG case management program and clients must enroll in Care Coordination to remain eligible. Case management services are provided by the Housing Specialist and include the development of an individualized housing plan, budgeting and removal of barriers to stable housing. Short-term assistance provides financial support for rent, mortgage or utilities. Long-term assistance provides financial support for those with significant financial barriers for up to two years of rent. Participant pays approximately 30% of their income toward their rent. Housing Placement assistance helps to remove barriers toward housing by covering deposits, application fees and first month's rent to eligible clients. This program can only be utilized ONE TIME per client. Short-term Supportive Housing provides funds to clients in emergent situations for up to 60 days. Funding is extremely limited and reviewed on a case by case basis.

The Programs operate on annual awards and accordingly, the receipts and expenditures of the Programs shown in these financial statements may reflect two Program periods. The 2015 activity of the Major Programs was as follows:

	<u>BEGINNING</u> <u>BALANCE</u>	<u>RECEIPTS</u>	<u>DISBURSEMENTS</u>	<u>ENDING</u> <u>BALANCE</u>
ISDH Prevention-CTR	\$ -0-	\$ 45,000	\$ 45,000	\$ -0-
ISDH Prevention-CRCS	\$ -0-	\$ 40,000	\$ 40,000	\$ -0-
ISDH Care Coordination-HAS	\$ 101,190	\$ 180,000	\$ 177,221	\$ 103,969
ISDH Special Populations-SPSP	\$ 46,737	\$ 90,000	\$ 84,238	\$ 52,499
HOPWA	\$ 102,213	\$ 179,090	\$ 167,421	\$ 113,882