



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513

Fax: (317) 232-4711

Web Site: www.in.gov/sboa

January 19, 2023

Board of Directors
AIDS Ministries - AIDS Assist of North Indiana, Inc.
201 South William Street
South Bend, IN 46601

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, 2021 to June 30, 2022. 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, 2022 and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, Dulin, Ward & DeWald, Inc. prepared the audit report in accordance with guidelines established by the 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.**

FINANCIAL STATEMENTS

Year Ended June 30, 2022

With Summarized Information for June 30, 2021

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Offices Located in Ft. Wayne and Marion, Indiana

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of AIDS Ministries-AIDS Assist of North Indiana, Inc. (a nonprofit organization) which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and 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. as of June 30, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 the AIDS Ministries-AIDS Assist of North Indiana, 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 the AIDS Ministries-AIDS Assist of North Indiana, 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.'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 the AIDS Ministries-AIDS Assist of North Indiana, 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.

Report on Summarized Comparative Information


We have previously audited AIDS Ministries-AIDS Assist of North Indiana, Inc.'s 2021 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 9, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021 is consistent, in all material respects, with the audited financial statements from which it has been derived.

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 – cash basis, 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 November 7, 2022 on our consideration of the AIDS Ministries-AIDS Assist of North Indiana, 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 the AIDS Ministries-AIDS Assist of North Indiana, 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 the AIDS Ministries-AIDS Assist of North Indiana, Inc.'s internal control over financial reporting and compliance.



Fort Wayne, Indiana
November 7, 2022

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2022 with Summarized Information for June 30, 2021

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 142,797	\$ 138,932
Accounts receivable	144	18,144
Grants and contributions receivable	384,385	246,082
Prepaid expenses	35,234	52,794
Total Current Assets	562,560	455,952
LONG-TERM ASSETS		
Loan fees - net of amortization of \$489 for 2022 and \$70 for 2021	1,607	2,027
PROPERTY AND EQUIPMENT		
Land	52,025	52,025
Office equipment	213,335	193,251
Vehicles	93,910	84,421
Buildings	1,422,718	1,408,069
Furniture and fixtures in housing units	6,376	6,376
Improvements	551,177	551,177
	2,339,541	2,295,319
Accumulated depreciation	922,360	821,819
Net Property and Equipment	1,417,181	1,473,500
Total Long-Term Assets	1,418,788	1,475,527
Total Assets	\$ 1,981,348	\$ 1,931,479

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

	2022	2021
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of notes payable	\$ 12,038	\$ 11,268
Accrued payroll and liabilities	88,725	95,922
Accrued expenses	10,732	8,091
	<hr/>	<hr/>
Total Current Liabilities	111,495	115,281
LONG-TERM LIABILITIES		
Notes payable	197,961	209,149
Current portion	12,038	11,268
	<hr/>	<hr/>
Total Long-Term Liabilities	185,923	197,881
Total Liabilities	297,418	313,162
NET ASSETS		
Without donor restrictions	1,540,890	1,581,020
With donor restrictions	143,040	37,297
	<hr/>	<hr/>
Total Net Assets	1,683,930	1,618,317
	<hr/>	<hr/>
Total Liabilities and Net Assets	<u>\$ 1,981,348</u>	<u>\$ 1,931,479</u>

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
STATEMENT OF ACTIVITIES

Year Ended June 30, 2022 with Summarized
Information for the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	2022 Total	2021 Total
CHANGE IN NET ASSETS				
Support and Revenues:				
Government grants - federal	\$ 1,691,595	\$ -	\$ 1,691,595	\$ 1,711,965
Government grants - state and local	86,428	-	86,428	89,325
Other grants	1,310	37,283	38,593	15,840
Contributions and memorials	16,411	5,000	21,411	21,956
Contributed nonfinancial assets	297	-	297	29,664
United Way	25,120	108,000	133,120	66,527
Special events:				
Proceeds	3,272	-	3,272	-
Less direct benefit to donors	(1,100)	-	(1,100)	-
Rent income	34,188	-	34,188	43,666
Other income	8,196	-	8,196	1,064
Net Assets Released From Restrictions	44,540	(44,540)	-	-
Total Support and Revenues	1,910,257	105,743	2,016,000	1,980,007
Expenses and Losses:				
Client services	1,468,854	-	1,468,854	1,431,591
Preventative services	296,796	-	296,796	407,869
Management and general	183,448	-	183,448	171,706
Fundraising	150	-	150	-
Loss on disposal of property and equipment	1,139	-	1,139	-
Total Expenses and Losses	1,950,387	-	1,950,387	2,011,166
CHANGE IN NET ASSETS	(40,130)	105,743	65,613	(31,159)
NET ASSETS - beginning of year	1,581,020	37,297	1,618,317	1,649,476
NET ASSETS - end of year	\$ 1,540,890	\$ 143,040	\$ 1,683,930	\$ 1,618,317

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

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended June 30, 2022 with Summarized
Information for the Year Ended June 30, 2021

	Program Services					
	Client Services	Preventative Services	Management and General	Fundraising	2022 Total	2021 Total
Salaries	\$ 691,589	\$ 188,014	\$ 65,190	\$ -	\$ 944,793	\$ 940,414
Employee benefits	65,880	17,910	6,210	-	90,000	94,431
Payroll taxes	54,734	14,880	5,159	-	74,773	73,418
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Salaries and Related Expenses	812,203	220,804	76,559	-	1,109,566	1,108,263
Client assistance	365,257	7,248	7,887	-	380,392	447,269
Building expenses	81,965	13,007	2,635	-	97,607	140,312
Outside services	55,131	8,687	299	-	64,117	59,301
Insurance	28,087	3,892	3,064	-	35,043	27,116
Legal and accounting	-	-	33,370	-	33,370	32,164
Office expense	22,318	3,371	665	-	26,354	45,915
Travel	6,843	3,277	15,383	-	25,503	11,043
Bad debts	-	-	18,000	-	18,000	-
Training	15,951	974	-	-	16,925	1,699
Telephone	12,670	3,756	31	-	16,457	11,875
Interest	-	-	10,612	-	10,612	11,808
Postage	2,154	1,273	1,594	-	5,021	11,395
Professional fees	-	-	4,522	-	4,522	2,279
Miscellaneous	-	-	411	150	561	751
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses Before Depreciation	1,402,579	266,289	175,032	150	1,844,050	1,911,190
Depreciation and amortization	66,275	30,507	8,416	-	105,198	99,976
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Statement of Activities Functional Expenses	1,468,854	296,796	183,448	150	1,949,248	2,011,166
Expenses included in support and revenue: Direct benefit to donors	-	-	-	1,100	1,100	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Functional Expenses	<u>\$ 1,468,854</u>	<u>\$ 296,796</u>	<u>\$ 183,448</u>	<u>\$ 1,250</u>	<u>\$ 1,950,348</u>	<u>\$ 2,011,166</u>

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

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
STATEMENT OF CASH FLOWS
Year Ended June 30, 2022 with Summarized Information
for the Year Ended June 30, 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 65,613	\$ (31,159)
Adjustments to reconcile change in net assets to cash flows from operating activities:		
Provision for bad debts	18,000	-
Contributed nonfinancial assets	-	(29,526)
Depreciation and amortization	105,198	99,976
(Gain) loss on disposal of property and equipment	1,139	-
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	-	11,139
Grants and contributions receivable	(138,303)	263,158
Prepaid expenses	17,560	(17,519)
Increase (decrease) in:		
Accrued payroll and liabilities	(7,197)	17,887
Accrued expenses	2,641	(60,545)
	<u>64,651</u>	<u>253,411</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(49,598)	(26,924)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan fees	-	(2,097)
Increase (decrease) on line of credit	-	(130,000)
Payments on notes payable	(11,188)	(8,781)
	<u>(11,188)</u>	<u>(140,878)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		
	3,865	85,609
CASH AND CASH EQUIVALENTS - beginning of year		
	<u>138,932</u>	<u>53,323</u>
CASH AND CASH EQUIVALENTS - end of year		
	<u>\$ 142,797</u>	<u>\$ 138,932</u>

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

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
NOTES TO FINANCIAL STATEMENTS
June 30, 2022 and 2021

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

AIDS Ministries-AIDS Assist of North Indiana, Inc.'s (the Organization) mission is to help create a world that supports and enhances the lives of people infected with and affected by HIV and AIDS. The Organization 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.

Income Taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code, and has been classified as an organization that is not a private foundation under Section 509(a) of the Internal Revenue Code.

Recent Accounting Guidance

During 2022, the Organization adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* as management believes the standard improves the usefulness and understandability of the Organizations' financial reporting. There is no effect on net assets in connection with the implementation of ASU 2020-07.

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 Organization considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

(continued)

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

Receivables

The Organization provides 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 Organization follows 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 Organization's 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.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed time and/or purpose restrictions. The Organization reports 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 Organization's 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 Organization has 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. No advances have been received on the grants and no deferred revenue is recognized.

The Organization recognizes 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.

(continued)

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

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 Organization records 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.

Functional Allocation of Expense

The costs of providing the Organization's programs and supporting services have been summarized on a functional basis in the statements 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.

Subsequent Events

Management has evaluated subsequent events through November 7, 2022 the date which the financial statements were available for issue.

Reclassifications

Certain reclassifications have been made to conform prior year's financial statement to current presentation. The reclassifications have no effect on the previously reported operational results.

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 Organization became a 50% owner of a new pharmacy created as a C-corporation. The Organization 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. The Organization's investment in the pharmacy will be valued based on the reporting entities measurement date (December 31) each year.

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. The Organization 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. The Organization has no cost in the investment as of the measurement date of December 31, 2021; therefore, no amount has been recorded at June 30, 2022 on the Organization's financial statements. Since there was no activity in the pharmacy for the year ended December 31, 2020, no investment has been reported on the Organization's June 30, 2021 financial statements.

4. LINE OF CREDIT

The Organization has available at June 30, 2022 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% (6.75% at June 30, 2022). The note, which is secured by all business assets of the Organization, expires May 2023. There was no amount outstanding at June 30, 2022 on the line of credit.

The Organization previously had available a \$200,000 line of credit with Old National Bank. Interest, which was computed monthly on the unpaid balance, was at prime rate plus 1.00%. The note, which was secured by all business assets of the Organization, expired February 2021. This line of credit was renewed for a few months with Old National Bank and subsequently cancelled in May 2021 when the line of credit with First Source Bank was opened.

The amount of interest charged to operations was \$190 in 2022 and \$1,103 in 2021.

5. NOTES PAYABLE

Notes payable consist of the following:

	2022	2021
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.	\$ 190,481	\$ 199,471
Note payable to Ally Bank in monthly installments of \$239 including interest at 7.790%, secured by a vehicle, due May 6, 2025.	<u>7,480</u>	<u>9,678</u>
	<u>\$ 197,961</u>	<u>\$ 209,149</u>

Maturities on the notes payable are as follows:

2023	\$ 12,038
2024	\$ 12,673
2025	\$ 13,203
2026	\$ 160,047

The amount of interest charged to operations was \$10,422 in 2022 and \$10,705 in 2021.

6. NET ASSETS

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

	2022	2021
Time:		
Future periods	\$ 112,500	\$ -
Specific purpose:		
Programming	16,214	12,288
COVID assistance	10,703	25,009
Intern pay	<u>3,623</u>	<u>-</u>
	<u>\$ 143,040</u>	<u>\$ 37,297</u>

(continued)

6. NET ASSETS (continued)

Net assets in the amount of \$37,297 were reclassified from without donor restriction to with donor restriction at June 30, 2021 to correct the classification of restrictions.

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

	2022	2021
Satisfaction of purpose restrictions:		
Programming	\$ 28,574	\$ 59,002
COVID assistance	15,589	-
Intern pay	<u>377</u>	<u>-</u>
	<u>\$ 44,540</u>	<u>\$ 59,002</u>

Net assets without donor restrictions include undesignated net assets of \$1,540,890 at June 30, 2022 and \$1,581,020 at June 30, 2021.

7. CONTRIBUTED NONFINANCIAL ASSETS

The Organization recognized the following contributions of nonfinancial assets for the year ended June 30:

	2022	2021
Program:		
Client assistance	\$ 297	\$ 138
Property and equipment	<u>-</u>	<u>29,526</u>
Total contributed nonfinancial assets	<u>\$ 297</u>	<u>\$ 29,664</u>

Client assistance includes pantry items and are valued at the fair value of the items provided.

Donated property and equipment include a van valued at the estimated fair value of similar vehicles. It is management's plan to maintain the van for use in its programs.

None of the contributed nonfinancial assets have donor-imposed restrictions.

8. RENT INCOME

The Organization 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 \$14,728 for 2022 and \$12,066 for 2021.

The Organization also leases, portions of its building to two other organizations under year to year operating leases calling for monthly payments of \$800 and \$600. During 2021, one of the organizations stopped leasing space. Total rental income recognized from these leases was \$9,460 for 2022 and \$21,600 for 2021.

In addition, the Organization receives rent in the amount of \$10,000 per year for facility space from the pharmacy that it is a 50% owner of in Note 3. There is currently no written agreement in place for this rent.

9. PENSION PLAN

The Organization 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. The Organization matches up to 3% contributed by the employees. Contributions to the plan charged to operations were \$15,476 in 2022 and \$11,425 in 2021.

10. OPERATING LEASES

The Organization leases office equipment under an operating lease expiring in 2023. Total rental expense under this lease was \$5,879 for 2022 and \$6,222 for 2021.

Minimum future lease payments under noncancelable operating leases having initial or remaining terms of one year or more as of June 30, 2022 for each of the next five years and in the aggregate are:

2023	\$	3,383
2024		-
2025		-
2026		-
2027 and thereafter		-
		<u>3,383</u>
	\$	<u>3,383</u>

11. STATEMENT OF CASH FLOWS

Cash used in operating activities included interest paid of \$10,612 in 2022 and \$11,808 in 2021.

Noncash investing and financing activities included the donation of a vehicle in the amount of \$29,526 in 2021.

12. CONCENTRATIONS

The Organization receives 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 Organization's programs and activities. Claims for federally supported programs are filed and reimbursed on a monthly basis.

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, comprise the following:

	2022	2021
Cash and cash equivalents	\$ 142,797	\$ 138,932
Accounts receivable	144	18,144
Grants and contributions receivable	<u>384,385</u>	<u>246,082</u>
Total financial assets	527,326	403,158
Less net assets not available within one year:		
Net assets with donor restrictions:		
Future periods – new clinic	(100,000)	-
Specific purpose	<u>(30,540)</u>	<u>(37,297)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 396,786</u>	<u>\$ 365,861</u>

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. RISKS AND UNCERTAINTIES

On March 11, 2020, the COVID-19 virus had been declared a global pandemic. The extent of the impact of the COVID-19 outbreak on the financial performance of the Organization will depend on future developments, including the duration and severity of the outbreak and its impact on the overall economy. Management is carefully monitoring the situation and evaluating its options during this time. No adjustments have been made to these financial statements as a result of this uncertainty.

15. SUBSEQUENT EVENT

Subsequent to year-end, AIDS Ministries-AIDS Assist of North Indiana, Inc. took control of Refresh (F5), Inc., a separate 501(c)(3) organization through majority board membership. Refresh (F5), Inc. amended its bylaws on August 26, 2022 to reflect this change.

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS
Year Ended June 30, 2022

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	\$ -	\$ 15,000	\$ 15,000
Community Development Block Grant - Coronavirus Response Emergency Rent and Mortgage Assistance Program	14.218	20-CV-50	-	8,330	8,330
		Subtotal 14.218	-	23,330	23,330
Passed through City of South Bend, Indiana:					
Emergency Shelter Operations and Rapid Rehousing Activities	14.231	20-JE-02	-	6,000	6,000
Emergency Shelter Operations and Rapid Rehousing Activities	14.231	21-JE-02	-	4,536	4,536
		Subtotal 14.231	-	10,536	10,536
Passed through Indiana Housing and Community Development: Authority:					
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	CC-020-001	-	30,378	30,378
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	CC-021-001	-	206,929	206,929
Housing Opportunities for Persons with AIDS (HOPWA) CARES Act	14.241	CC-CV-02-0002	-	5,649	5,649
		Subtotal 14.21	-	242,956	242,956
Continuum of Care Program	14.267	IN1074L5H021905	-	111,522	111,522

(continued)

See independent auditors' report.

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS - CASH BASIS
Year Ended June 30, 2022

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	\$ -	\$ 1,012,330	\$ 1,012,330
HIV Care Formula/Ryan White Part B (Integrated HIV Prevention and Surveillance)	93.917	00000004988	-	165,180	165,180
Passed through Indiana AIDS Fund:					
HIV Care Formula/Ryan White Part B	93.917	22-1538	-	42,000	58,374
HIV Care Formula/Ryan White Part B	93.917	21-1481	-	28,000	17,724
HIV Care Formula/Ryan White Part B (Region 2 Zero Is Possible (ZIP) Coalition)	93.917	21-1496	-	855	3,144
		Subtotal 93.917	-	1,248,365	1,256,752
Passed through Indiana State Department of Health:					
Integrated HIV Prevention and Surveillance	93.940	00000004988	-	37,934	37,934
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	000000059137	-	14,117	14,117
			<u>\$ -</u>	<u>\$ 1,688,760</u>	<u>\$ 1,697,147</u>

See independent auditors' report.

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

June 30, 2022

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards – cash basis includes the federal award activity of AIDS Ministries-AIDS Assist of North Indiana, Inc. under programs of the federal government for the year ended June 30, 2022. 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 Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Organization’s policy is to prepare the Schedule of Expenditures of Federal Awards on the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned, and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred. This basis differs from generally accepted accounting principles primarily because the Organization has not recognized accounts receivable and accounts payable and their related effects on revenue recognized and expenditures in the Schedule of Expenditures of Federal Awards. 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 Organization has 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.
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. which comprise the statement of financial position as of June 30, 2022, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated November 7, 2022.

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.'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.'s internal control. Accordingly, we do not express an opinion on the effectiveness of AIDS Ministries-AIDS Assist of North Indiana, 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.

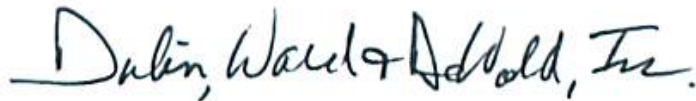
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether AIDS Ministries-AIDS Assist of North Indiana, 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
November 7, 2022



Offices Located in Ft. Wayne and Marion, Indiana

**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.
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.'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.'s major federal programs for the year ended June 30, 2022. AIDS Ministries-AIDS Assist of North Indiana, 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. 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, 2022.

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 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.'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.'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.'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.'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.'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.'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.'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.

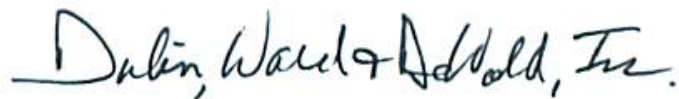
Report on Internal Control Over Compliance

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
November 7, 2022

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal Control over financial reporting:

Material weakness(es) identified? Yes No

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

Noncompliance material to financial statements
noted? Yes No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes No

Significant deficiency(ies) identified that
are not considered to be material
weakness(es)? Yes 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 No

(continued)

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2022

(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?

X Yes No

Section II - Financial Statement Findings

No material weaknesses or instances of noncompliance noted.

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.
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2022

No prior year findings.