

**AIDS MINISTRIES – AIDS
ASSIST OF NORTH INDIANA, INC.**

FINANCIAL STATEMENTS

Year Ended June 30, 2021

With Summarized Information for June 30, 2020

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

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, 2021, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AIDS Ministries-AIDS Assist of North Indiana, Inc. as of June 30, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited AIDS Ministries-AIDS Assist of North Indiana, Inc.'s 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 13, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations (CFR) 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 information 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 a report dated December 9, 2021 on our consideration of 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of AIDS Ministries-AIDS Assist of North Indiana, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering AIDS Ministries-AIDS Assist of North Indiana, Inc.'s internal control over financial reporting and compliance.



Fort Wayne, Indiana
December 9, 2021

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
STATEMENT OF FINANCIAL POSITION
June 30, 2021 with Summarized Information for June 30, 2020

	2021	2020
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 138,932	\$ 53,323
Accounts receivable	18,144	29,283
Grants and contributions receivable	246,082	509,240
Prepaid expenses	52,794	35,275
Total Current Assets	455,952	627,121
LONG-TERM ASSETS		
Loan fees - net of amortization of \$70 for 2021	2,027	-
PROPERTY AND EQUIPMENT		
Land	52,025	52,025
Office equipment	193,251	166,788
Vehicles	84,421	47,513
Buildings	1,408,069	1,406,230
Furniture and fixtures in housing units	6,376	6,376
Improvements	551,177	559,937
	2,295,319	2,238,869
Accumulated depreciation	821,819	721,913
Net Property and Equipment	1,473,500	1,516,956
Total Long-Term Assets	1,475,527	1,516,956
Total Assets	\$ 1,931,479	\$ 2,144,077

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

	2021	2020
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Current portion of notes payable	\$ 11,268	\$ 208,252
Line of credit	-	130,000
Accrued payroll and liabilities	95,922	78,035
Accrued expenses	8,091	68,636
	<u>115,281</u>	<u>484,923</u>
Total Current Liabilities		
LONG-TERM LIABILITIES		
Notes payable	209,149	217,930
Current portion	11,268	208,252
	<u>197,881</u>	<u>9,678</u>
Total Long-Term Liabilities		
	313,162	494,601
Total Liabilities		
NET ASSETS		
Without donor restrictions	1,618,317	1,590,474
With donor restrictions	-	59,002
	<u>1,618,317</u>	<u>1,649,476</u>
Total Net Assets		
	<u>\$ 1,931,479</u>	<u>\$ 2,144,077</u>
Total Liabilities and Net Assets		

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

Year Ended June 30, 2021 with Summarized
Information for the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	2021 Total	2020 Total
CHANGE IN NET ASSETS				
Support, Revenues and Gains:				
Government grants - federal	\$ 1,711,965	\$ -	\$ 1,711,965	\$ 1,674,808
Government grants - state and local	89,325	-	89,325	75,437
Other grants	15,840	-	15,840	95,603
Contributions and memorials	51,620	-	51,620	31,734
United Way	66,527	-	66,527	67,115
Rent income	43,666	-	43,666	45,292
Other income	1,064	-	1,064	2,720
Gain on disposal of property and equipment	-	-	-	813
Net Assets Released From Restrictions	59,002	(59,002)	-	-
Total Support, Revenues and Gains	2,039,009	(59,002)	1,980,007	1,993,522
Expenses:				
Client services	1,368,606	-	1,368,606	1,255,664
Preventative services	378,876	-	378,876	486,533
Management and general	263,684	-	263,684	222,854
Fundraising	-	-	-	13,398
Total Expenses	2,011,166	-	2,011,166	1,978,449
CHANGE IN NET ASSETS	27,843	(59,002)	(31,159)	15,073
NET ASSETS - beginning of year	1,590,474	59,002	1,649,476	1,634,403
NET ASSETS - end of year	\$ 1,618,317	\$ -	\$ 1,618,317	\$ 1,649,476

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, 2021 with Summarized
Information for the Year Ended June 30, 2020

	Program Services			2021 Total	2020 Total
	Client Services	Preventative Services	Management and General		
Salaries	\$ 607,507	\$ 258,614	\$ 74,293	\$ 940,414	\$ 906,957
Employee benefits	73,403	21,028	-	94,431	95,610
Payroll taxes	57,339	16,079	-	73,418	74,583
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Salaries and Related Expenses	738,249	295,721	74,293	1,108,263	1,077,150
Client assistance	421,301	24,571	1,397	447,269	473,008
Building expenses	105,581	13,743	20,988	140,312	86,414
Outside services	44,528	13,089	1,684	59,301	47,361
Office expense	25,362	19,431	1,122	45,915	46,020
Legal and accounting	231	20	31,913	32,164	21,379
Insurance	20,336	3,211	3,569	27,116	29,313
Telephone	8,476	2,519	880	11,875	11,342
Interest	-	-	11,808	11,808	14,655
Postage	3,290	6,839	1,266	11,395	5,138
Travel	(377)	(638)	12,058	11,043	48,973
Professional fees	96	-	2,183	2,279	2,160
Training	1,324	370	5	1,699	3,664
Miscellaneous	209	-	542	751	8,102
Advertising	-	-	-	-	21,600
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses Before Depreciation	1,368,606	378,876	163,708	1,911,190	1,896,279
Depreciation and amortization	-	-	99,976	99,976	82,170
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenses	<u>\$ 1,368,606</u>	<u>\$ 378,876</u>	<u>\$ 263,684</u>	<u>\$ 2,011,166</u>	<u>\$ 1,978,449</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, 2021 with Summarized Information
for the Year Ended June 30, 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (31,159)	\$ 15,073
Adjustments to reconcile change in net assets to cash flows from operating activities:		
In-kind property and equipment	(29,526)	-
Depreciation and amortization	99,976	82,170
(Gain) loss on disposal of property and equipment	-	(813)
Changes in assets and liabilities:		
(Increase) decrease in:		
Accounts receivable	11,139	3,895
Grants and contributions receivable	263,158	(15,316)
Prepaid expenses	(17,519)	(22,018)
Increase (decrease) in:		
Accrued payroll and liabilities	17,887	5,185
Accrued expenses	(60,545)	40,651
	253,411	108,827
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	(26,924)	(108,869)
Proceeds from disposal of property and equipment	-	9,140
	(26,924)	(99,729)
CASH FLOWS FROM FINANCING ACTIVITIES		
Loan fees	(2,097)	-
Increase (decrease) on line of credit	(130,000)	30,000
Payments on notes payable	(8,781)	(18,839)
	(140,878)	11,161
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	85,609	20,259
CASH AND CASH EQUIVALENTS - beginning of year	53,323	33,064
CASH AND CASH EQUIVALENTS - end of year	\$ 138,932	\$ 53,323

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, 2021 and 2020

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 2020, the Organization adopted ASU 2014-09, *Revenue from Contracts with Customers (Topic 606)*, as amended as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes revenue, and therefore, no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosure of revenue was enhanced in accordance with the standard.

Also during 2020, the Organization adopted ASU 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* as management believes the standard improves the usefulness and understandability of the Organization's financial reporting. There was no effect on net assets in connection with the implementation of ASU 2018-08.

(continued)

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

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.

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.

(continued)

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

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.

In-kind contributions of facilities, services, equipment and supplies 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.

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, office expense, insurance, telephone and postage.

Subsequent Events

Management has evaluated subsequent events through December 9, 2021 the date which the financial statements were available for issue.

2. GRANTS AND CONTRIBUTIONS RECEIVABLE

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

3. INVESTMENT

In July 2019, the Organization became a 50% owner of a new pharmacy created as an 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, 2020; therefore, no amount has been recorded at June 30, 2021 on the Organization's financial statements. Since there was no activity in the pharmacy for the year ended December 31, 2019, no investment has been reported on the Organization's June 30, 2020 financial statements.

4. LINE OF CREDIT

The Organization has available at June 30, 2021 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% (5.25% at June 30, 2021). The note, which is secured by all business assets of the Organization, expires May 2023. There was no amount outstanding at June 30, 2021 on the line of credit.

(continued)

4. LINE OF CREDIT (continued)

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. There was \$130,000 at June 30, 2020 outstanding on this line of credit.

The amount of interest charged to operations was \$1,103 in 2021 and \$3,035 in 2020.

5. NOTES PAYABLE

Notes payable consist of the following:

	2021	2020
Note payable to Old National Bank in monthly installments of \$1,560 including interest at 4.75%, secured by real estate, due April 1, 2021. Refinanced during fiscal year 2021 to note payable at First Source Bank.	\$ -	\$ 205,364
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.	199,471	-
Note payable to Ally Bank in monthly installments of \$385 including interest at 10.240%, secured by a vehicle, due September 24, 2021.	-	854
Note payable to Ally Bank in monthly installments of \$239 including interest at 7.790%, secured by a vehicle, due May 6, 2025.	<u>9,678</u>	<u>11,712</u>
	<u>\$ 209,149</u>	<u>\$ 217,930</u>

(continued)

5. NOTES PAYABLE (continued)

Maturities on the notes payable are as follows:

2022	\$	11,268
2023	\$	11,949
2024	\$	12,673
2025	\$	13,203
2026	\$	160,056

The amount of interest charged to operations was \$10,704 in 2021 and \$11,620 in 2020.

6. NET ASSETS

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

	2021	2020
Specific purpose:		
PrEP program	\$ -	\$ 25,000
Family support services program	-	25,000
Direct emergency financial assistance	-	3,000
Food pantry and nutrition program	-	2,000
Other programs	<u>-</u>	<u>4,002</u>
	<u>\$ -</u>	<u>\$ 59,002</u>

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

(continued)

6. NET ASSETS (continued)

	2021	2020
Satisfaction of purpose restrictions:		
PrEP program	\$ 25,000	\$ 61,178
Family support services	25,000	-
Direct emergency financial assistance	3,000	-
Food pantry and nutrition program	2,000	-
Insurance specialty position	-	135,000
Renovations	-	32,060
StepUP program	-	2,612
Other programs	<u>4,002</u>	<u>7,498</u>
	<u>\$ 59,002</u>	<u>\$ 238,348</u>

Net assets without donor restrictions include undesignated net assets of \$1,618,307 at June 30, 2021 and \$1,590,474 at June 30, 2020.

7. 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 \$12,066 for 2021 and \$13,452 for 2020.

In addition, the Organization leased a portion of its building to another organization under a one year operating lease with the option to renew in one year increments up to thirteen additional years. The lease called for monthly rent of \$1,000 for years one through two, \$1,020 for years three through eight and \$1,051 for years nine through fourteen. Total rental income recognized from this lease was \$4,000 for 2020. The organization moved out during fiscal year 2020.

The Organization also leases, portions of its building to two other organizations under a year to year operating leases calling for monthly payments of \$800 and \$1,000. Total rental income recognized from this lease was \$21,600 for 2021 and \$27,840 for 2020.

8. 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 \$11,425 in 2021 and \$11,396 in 2020.

9. OPERATING LEASES

The Organization leases office equipment under an operating lease expiring in 2023. Total rental expense under this leases was \$6,222 for 2021 and \$6,845 for 2020.

Minimum future lease payments under noncancelable operating leases having initial or remaining terms of one year or more as of June 30, 2021 for each of the next five years and in the aggregate are:

2022	\$	5,075
2023		3,383
2024		-
2025		-
2026 and thereafter		<u>-</u>
	\$	<u>8,458</u>

10. STATEMENT OF CASH FLOWS

Cash used in operating activities included interest paid of \$11,808 in 2021 and \$14,655 in 2020.

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

11. 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.

12. 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.

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:

	2021	2020
Cash and cash equivalents	\$ 138,932	\$ 53,323
Accounts receivable	18,144	29,283
Grants and contributions receivable	<u>246,082</u>	<u>509,240</u>
Total financial assets	403,158	591,846
Less net assets not available within one year:		
Net assets with donor restrictions:		
Specific purpose	<u>-</u>	<u>(59,002)</u>
Financial assets available to meet general expenditures within one year	<u>\$ 403,158</u>	<u>\$ 532,844</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.

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Agency/ Pass-Through Agency/ Program Title	Assistance Listing Number	Agency or Pass-Through Number	Sub - Recipients	Revenue Recognized	Expenditures
U.S. Department of Housing and Urban Development:					
Passed through City of Elkhart, Indiana:					
Community Development Block Grant	14.218	Unknown	\$ -	\$ 10,000	\$ 10,000
Community Development Block Grant - Coronavirus	14.218	Unknown	-	16,000	16,000
Passed through City of South Bend, Indiana:					
Community Development Block Grant - Coronavirus Response Food Resources Program	14.218	20-CV-20	-	10,000	10,000
Community Development Block Grant - Coronavirus Response Equipment Program	14.218	20-CV-40	-	5,000	5,000
Community Development Block Grant - Coronavirus Response Emergency Rent and Mortgage Assistance Program	14.218	20-CV-50	-	41,784	41,784
		Subtotal 14.218	-	82,784	82,784
Passed through City of South Bend, Indiana:					
Emergency Shelter Operations and Rapid Rehousing Activities	14.231	20-JE-02	-	19,492	19,492
Community Development Block Grant - Emergency Solutions Grant - Coronavirus Response Rental Assistance Program	14.231	20-EV-10	-	18,000	18,000
		Subtotal 14.231	-	37,492	37,492
Passed through Indiana Housing and Community Development: Authority:					
Housing Opportunities for Persons with AIDS (HOPWA)	14.241	CC-020-001	-	198,707	199,741
Housing Opportunities for Persons with AIDS (HOPWA) CARES Act	14.241	CC-CV-02-0002	-	33,180	33,180
		Subtotal 14.21	-	231,887	232,921

(continued)

See independent auditors' report.

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2021

Federal Agency/ Pass-Through Agency/ Program Title	Assistance Listing Number	Agency or Pass-Through Number	Sub - Recipients	Revenue Recognized	Expenditures
(continued)					
Continuum of Care Program	14.267	IN1074L5H021905	\$ -	\$ 125,387	\$ 124,702
U.S. Department of Health and Human Services:					
Passed through Indiana State Department of Health:					
Care Coordination	93.917	00000020758	-	94,199	127,766
Ryan White Part B COVID Response	93.917	0002449	-	142,841	160,717
Ryan White Part B Rebates	93.917	00046850	-	694,980	634,411
Ryan White Rebates	93.917	000040030	-	15,295	16,552
Passed through Indiana AIDS Fund:					
HIV Care Formula/Ryan White Part B	93.917	20-1398	-	41,043	63,527
HIV Care Formula/Ryan White Part B	93.917	21-1481	-	36,120	16,394
		Subtotal 93.917	-	1,024,478	1,019,367
Passed through Indiana State Department of Health:					
Integrated HIV Prevention and Surveillance	93.940	00000039883	-	111,359	115,439
Integrated HIV Prevention and Surveillance	93.940	00000004988	-	98,578	90,148
		Subtotal 93.940	-	209,937	205,587
			<u>\$ -</u>	<u>\$ 1,711,965</u>	<u>\$ 1,702,853</u>

See independent auditors' report.

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

June 30, 2021

1. BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards includes the federal award activity of AIDS Ministries-AIDS Assist of North Indiana, Inc. under programs of the federal government for the year ended June 30, 2021. 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

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

3. INDIRECT COST RATE

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

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, 2021, 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 December 9, 2021.

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.

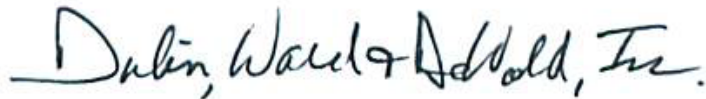
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

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.

A handwritten signature in black ink that reads "Dalin, Ward & Adold, Inc." The signature is written in a cursive, flowing style.

Fort Wayne, Indiana
December 9, 2021

**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

We have audited AIDS Ministries-AIDS Assist of North Indiana, Inc.'s compliance with the types of compliance requirements described 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, 2021. AIDS Ministries-AIDS Assist of North Indiana, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of AIDS Ministries-AIDS Assist of North Indiana, Inc.'s major federal programs based on our audit of the types of compliance requirements referred to above. 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 contained in Government Auditing Standards, issued by the Comptroller General of the United States; and Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about AIDS Ministries-AIDS Assist of North Indiana, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination on AIDS Ministries-AIDS Assist of North Indiana, Inc.'s compliance.

Opinion on Each Major Federal Program

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, 2021.

Report on Internal Control Over Compliance

Management of AIDS Ministries-AIDS Assist of North Indiana, Inc. is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered AIDS Ministries-AIDS Assist of North Indiana, Inc.'s internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of AIDS Ministries-AIDS Assist of North Indiana, Inc.'s 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 first paragraph of this section and not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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
December 9, 2021

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 June 30, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of auditors' report issued: Unmodified

Internal Control over financial reporting:

Material weakness(es) identified? ___ Yes X No

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

Noncompliance material to financial statements noted? ___ Yes X No

Federal Awards

Internal control over major programs:

Material weakness(es) identified? ___ Yes X No

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

Type of report issued on compliance for major programs: Unmodified

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

(continued)

AIDS MINISTRIES-AIDS ASSIST OF NORTH INDIANA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
June 30, 2021

(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, 2021

No prior year findings.

