

OHIO AIDS COALITION

Financial Statements

**For the Years Ended
June 30, 2010 and 2009**

OHIO AIDS COALITION

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Ohio AIDS Coalition
Columbus, Ohio

We have audited the accompanying statements of financial position of Ohio AIDS Coalition (a nonprofit Ohio corporation) as of June 30, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Ohio AIDS Coalition as of June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2010, on our consideration of Ohio AIDS Coalition'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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

Columbus, Ohio
October 6, 2010

A handwritten signature in black ink that reads "Hemphill & Associates". The signature is written in a cursive, flowing style.

**OHIO AIDS COALITION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2010 AND 2009**

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and Cash Equivalents	\$ 182,113	\$ 175,184
TOTAL ASSETS	<u>\$ 182,113</u>	<u>\$ 175,184</u>
 LIABILITIES AND NET ASSETS		
Accounts Payable	\$ 1,983	\$ 4,022
Refundable Advances	11,976	-
TOTAL LIABILITIES	<u>13,959</u>	<u>4,022</u>
 NET ASSETS		
Unrestricted	158,154	171,162
Temporarily Restricted	10,000	-
TOTAL NET ASSETS	<u>168,154</u>	<u>171,162</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 182,113</u>	 <u>\$ 175,184</u>

See Accompanying Notes to Financial Statements

OHIO AIDS COALITION
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>			<u>2009</u>		
	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUE AND SUPPORT						
Grant - ODH	\$ 427,441	\$ -	\$ 427,441	\$ 410,166	\$ -	\$ 410,166
Grant - AETC	945	10,000	10,945	4,000	5,000	9,000
Grant - Other	12,016	-	12,016	8,214	-	8,214
ODH - HIPP	4,558	-	4,558	7,027	-	7,027
Contributions	7,080	-	7,080	2,822	-	2,822
Memberships	2,065	-	2,065	3,908	-	3,908
Fundraising	3,094	-	3,094	13,784	-	13,784
Programs	12,332	-	12,332	16,694	-	16,694
Interest Income	318	-	318	1,566	-	1,566
Net Assets Released from Restriction	-	-	-	5,000	(5,000)	-
TOTAL REVENUE AND SUPPORT	<u>469,849</u>	<u>10,000</u>	<u>479,849</u>	<u>473,181</u>	<u>-</u>	<u>473,181</u>
EXPENSES						
Education & Community Forums	132,371	-	132,371	106,476	-	106,476
Leadership Programs	196,552	-	196,552	148,934	-	148,934
Public Policy	17,021	-	17,021	15,719	-	15,719
Communications	5,565	-	5,565	4,040	-	4,040
Fundraising	10,490	-	10,490	12,419	-	12,419
Management & General	120,858	-	120,858	154,697	-	154,697
TOTAL EXPENSES	<u>482,857</u>	<u>-</u>	<u>482,857</u>	<u>442,285</u>	<u>-</u>	<u>442,285</u>
(Decrease) Increase in Net Assets	(13,008)	10,000	(3,008)	30,896	-	30,896
Net Assets at Beginning of Year	171,162	-	171,162	140,266	-	140,266
Net Assets at End of Year	<u>\$ 158,154</u>	<u>\$ 10,000</u>	<u>\$ 168,154</u>	<u>\$ 171,162</u>	<u>\$ -</u>	<u>\$ 171,162</u>

See Accompanying Notes to Financial Statements

OHIO AIDS COALITION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2010

	Education & Community Forums	Leadership Programs	Public Policy	Communications	Fundraising	Management & General	Total
Bank Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 210	\$ 210
Community Outreach	8,240	10,842	650	-	1,951	-	21,683
Dues & Subscriptions	-	233	-	-	-	232	465
Employee Benefits	9,371	9,371	2,249	375	1,125	14,993	37,484
Equipment Rental	236	236	57	9	28	376	942
Facility Cost	24,366	51,776	-	-	-	-	76,142
Fundraising Expense	-	-	-	-	194	-	194
Honorariums	-	5,700	-	-	-	-	5,700
Insurance	-	-	-	-	-	2,764	2,764
Meetings & Seminars	33,259	49,889	-	-	-	14,673	97,821
Miscellaneous	36	1,274	126	-	54	305	1,795
Payroll Taxes	13,656	13,656	3,277	546	1,639	21,850	54,624
Postage	109	136	-	599	54	464	1,362
Printing & Newsletter	389	60	-	2,544	-	-	2,993
Professional Services	-	-	-	-	-	2,461	2,461
Program Supplies	2,610	1,146	127	-	573	1,909	6,365
Rent	2,700	2,700	648	108	324	4,320	10,800
Repairs & Maintenance	275	275	66	11	33	440	1,100
Salary & Wages	32,391	32,391	7,774	1,296	3,887	51,826	129,565
Travel	2,085	14,219	1,327	-	379	949	18,959
Utilities	1,928	1,928	463	77	231	3,086	7,713
Website	720	720	257	-	18	-	1,715
	<u>\$ 132,371</u>	<u>\$ 196,552</u>	<u>\$ 17,021</u>	<u>\$ 5,565</u>	<u>\$ 10,490</u>	<u>\$ 120,858</u>	<u>\$ 482,857</u>

See Accompanying Notes to Financial Statements

OHIO AIDS COALITION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2009

	Education & Community Forums	Leadership Programs	Public Policy	Communications	Fundraising	Management & General	Total
Bank Charges	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,133	\$ 1,133
Community Outreach	12,875	16,940	1,016	-	3,049	-	33,880
Dues & Subscriptions	-	260	-	-	-	260	520
Employee Benefits	8,299	8,299	1,992	332	996	13,278	33,196
Equipment Rental	833	833	200	33	100	1,334	3,333
Facility Cost	11,759	24,986	-	-	-	-	36,745
Fundraising Expense	-	-	-	-	1,754	-	1,754
Grant Reimbursements	-	-	-	-	-	42,521	42,521
Honorariums	-	1,100	-	-	-	-	1,100
Insurance	-	-	-	-	-	3,113	3,113
Meetings & Seminars	22,246	33,369	-	-	-	9,814	65,429
Miscellaneous	21	755	74	-	32	182	1,064
Payroll Taxes	10,713	10,713	2,571	429	1,286	17,141	42,853
Postage	152	190	-	837	76	647	1,902
Printing & Newsletter	170	26	-	1,111	-	-	1,307
Professional Services	-	-	-	-	-	9,724	9,724
Program Supplies	3,508	1,540	171	-	770	2,566	8,555
Rent	2,625	2,625	630	105	315	4,200	10,500
Repairs & Maintenance	614	614	147	25	74	983	2,457
Salary & Wages	27,321	27,321	6,557	1,093	3,279	43,713	109,284
Travel	2,410	16,433	1,534	-	438	1,095	21,910
Utilities	1,871	1,871	449	75	224	2,993	7,483
Website	1,059	1,059	378	-	26	-	2,522
	<u>\$ 106,476</u>	<u>\$ 148,934</u>	<u>\$ 15,719</u>	<u>\$ 4,040</u>	<u>\$ 12,419</u>	<u>\$ 154,697</u>	<u>\$ 442,285</u>

See Accompanying Notes to Financial Statements

OHIO AIDS COALITION
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash Flows From Operating Activities		
(Decrease) Increase in Net Assets	\$ (3,008)	\$ 30,896
Adjustments to Reconcile Increase (Decrease) in Net Assets to Net Cash From Operating Activities		
Decrease in Accounts Receivable	-	5,700
Decrease in Accounts Payable	(2,039)	(54,187)
Increase in Refundable Advances	11,976	-
Decrease in Other Current Liabilities	-	(4,348)
Net Cash Provided by (Used in) Operating Activities	<u>6,929</u>	<u>(21,939)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	6,929	(21,939)
Cash and Cash Equivalents at Beginning of Year	<u>175,184</u>	<u>197,123</u>
Cash and Cash Equivalents at End of Year	<u>\$ 182,113</u>	<u>\$ 175,184</u>

See Accompanying Notes to Financial Statements

OHIO AIDS COALITION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2010 and 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
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Nature and Scope of Activities

The Ohio AIDS Coalition (the Agency) is a nonprofit corporation designed to help network existing services of community-based AIDS organizations and other concerned individuals and organizations to provide hope, hearing and empowerment to all persons affected by the HIV disease within and around the state of Ohio. The Agency functions as a state-wide network, carrying on activities that local groups are unable to perform and are best served on a state-wide level, including, but not limited to, healing events, publications, leadership training and advocacy. The Agency consults with policy makers to prevent discrimination against persons with HIV disease and to obtain support for HIV disease education, research and quality services.

Cash and Cash Equivalents

For purposes of the statements of cash flows, the Agency considers all unrestricted highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the reporting period. Accordingly, actual results could differ from those estimates.

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Basis of Presentation

The accompanying financial statements have been presented in accordance with generally accepted accounting principles. Under these principles, net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Agency and changes therein are classified and reported as follows:

Unrestricted net assets - Unrestricted net assets are neither permanently nor temporarily restricted by donor-imposed restrictions and are available for use in the Agency's ongoing operations.

Temporarily restricted net assets - Temporarily restricted net assets are limited as to use by donor-imposed restrictions that expire either by passage of time, can be fulfilled and removed by action of the Agency pursuant to those restrictions, or upon receipt of funds.

OHIO AIDS COALITION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2010 and 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Permanently restricted net assets – Permanently restricted net assets are subject to donor-imposed restrictions which do not expire. Generally, the donors of these assets permit the Agency to use all or part of the income earned on related investments for general or specific purposes.

Revenue and Support

The Agency's revenues and support are primarily derived from grants received from the Ohio Department of Health. Approximately 90% and 88%, respectively, of the Agency's revenues and support came from this source for the years ended June 30, 2010 and 2009.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Unconditional promises to give are recorded as income when the promise is received. Other receipts are considered to be earned and reported as revenues when the Agency has incurred expenditures. Such amounts received but not yet earned are reported as deferred revenue.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Agency is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code as an organization exempt from federal income taxes. Consequently, no provisions for income taxes have been made.

Subsequent Events

Generally accepted accounting principles define subsequent events as events or transactions that occur after the statement of financial position date, but before the financial statements are issued or are available to be issued. Management has evaluated subsequent events through October 6, 2010, the date on which the financial statements were available to be issued.

Fair Value of Financial Instruments

GAAP requires disclosure of an estimate of fair value of certain financial instruments. The Agency's financial instruments consist primarily of cash. The carrying amount of these assets approximates fair value due to their short-term and highly liquid nature.

OHIO AIDS COALITION
NOTES TO FINANCIAL STATEMENTS
For the Years Ended June 30, 2010 and 2009

NOTE 2 – CONCENTRATION OF CREDIT RISK

The Agency maintains cash in two accounts at one financial institution which are insured by the Federal Deposit Insurance Corporation (FDIC). The accounts are interest and non-interest bearing. Non-interest bearing accounts are insured by the FDIC temporary Transaction Account Guarantee Program through June 30, 2010. This program provides unlimited insurance coverage for non-interest bearing accounts at FDIC insured institutions. Interest bearing accounts are insured up to \$250,000 through December 31, 2013. Based upon the FDIC insurance coverage as of June 30, 2010 and 2009, the Agency had no cash above the FDIC insurance coverage limits.

NOTE 3 – OPERATING LEASES

The Agency leases space under a month-to-month operating lease. Rent expense under this lease amounted to \$10,800 and \$10,500, respectively, for the years ended June 30, 2010 and 2009.

In addition, the Agency leases a copier under a non-cancellable operating lease. Monthly payments for this lease are \$325 per month for 48 months beginning March 2008. The future minimum scheduled payments for this lease are \$3,900 and \$2,925 for the fiscal years ending June 30, 2011 and 2012, respectively.

NOTE 4 – IN-KIND DONATIONS

A substantial number of volunteers donate time and resources to the Agency so that it may complete its activities. No amounts have been reported in the financial statements for these donated services and resources because no objective basis is currently available to measure the value of such services and resources.

NOTE 5 – OHIO DEPARTMENT OF HEALTH GRANT REVENUE

The Agency received funds from the Ohio Department of Health from various grants that have been recognized as revenue in its financial statements as follows for the years ended June 30:

<u>Grant</u>	<u>Grant #</u>	<u>2010</u>	<u>2009</u>
Ryan White Planning & Evaluation	02560031PE0208	\$ -	\$300,312
Ryan White Planning & Evaluation	02560031PE0309	329,562	109,854
Ryan White Planning & Evaluation	02560031PE0410	97,879	-
		<u>\$427,441</u>	<u>\$410,166</u>



**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**

To the Board of Directors
Ohio AIDS Coalition
Columbus, Ohio

We have audited the financial statements of Ohio AIDS Coalition (a nonprofit Ohio corporation) as of and for the years ended June 30, 2010 and 2009, and have issued our report thereon dated October 6, 2010. We conducted our audits 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.

Internal Control Over Financial Reporting

In planning and performing our audits, we considered Ohio AIDS Coalition's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Ohio AIDS Coalition's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control over financial reporting.

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 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.



**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
(continued)**

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. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Ohio AIDS Coalition's financial statements are free of 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*.

This report is intended solely for the information and use of management, Board of Directors, and others within Ohio AIDS Coalition and the Ohio Department of Health and is not intended to be and should not be used by anyone other than these specified parties.

Columbus, Ohio
October 6, 2010

Hemphill & Associates