

**AIDS PROJECT LOS ANGELES  
AND APLA DENTAL SERVICES**

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2010

**AIDS PROJECT LOS ANGELES  
AND APLA DENTAL SERVICES**

**CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED JUNE 30, 2010**

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**GREEN HASSON & JANKS LLP**  
BUSINESS ADVISORS AND CPAs

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
AIDS Project Los Angeles  
and APLA Dental Services

We have audited the accompanying consolidated statement of financial position of AIDS Project Los Angeles and APLA Dental Services (APLA) as of June 30, 2010, and the related consolidated statements of activities, functional expenses, and cash flows for the year then ended. These consolidated financial statements are the responsibility of APLA's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit. The prior year summarized comparative information is derived from the June 30, 2009 consolidated financial statements of APLA, and in our report dated October 12, 2009, we expressed an unqualified opinion on those consolidated financial statements.

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 consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of APLA as of June 30, 2010, and the changes in its net assets and its cash flows for the year 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 November 30, 2010 on our consideration of APLA's internal control over financial reporting and 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 controls over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal controls 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 read in conjunction with this report in considering the results of our audit.

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To the Board of Directors of  
AIDS Project Los Angeles  
and APLA Dental Services

Our audit was performed for the purpose of forming an opinion on the basic consolidated financial statements of APLA taken as a whole. The accompanying Schedule of Expenditures of Federal and Nonfederal Awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "*Audits of States, Local Governments, and Nonprofit Organizations*," and is not a required part of the basic consolidated financial statements. The Global Forum on MSM & HIV Supplemental Statement of Activities is also presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic consolidated financial statements taken as whole.

*Green Hasson & Janks LLP*

November 30, 2010  
Los Angeles, California

**AIDS PROJECT LOS ANGELES  
AND APLA DENTAL SERVICES**

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

June 30, 2010

With Summarized Totals at June 30, 2009

<b>ASSETS</b>	2010			Total	2009 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
Cash and Cash Equivalents	\$ 963,145	\$ 218,713	\$ -	\$ 1,181,858	\$ 1,053,903
Investments	3,129,119	-	261,273	3,390,392	3,554,219
Accounts Receivable (Net)	14,958	-	-	14,958	76,221
Contributions Receivable	-	668,316	-	668,316	938,318
Grants Receivable	1,416,237	-	-	1,416,237	1,287,635
Medi-Cal Receivable	270,800	-	-	270,800	328,821
Prepaid Expenses and Other Assets	591,410	-	-	591,410	607,670
Inventory	163,116	-	-	163,116	124,258
Split Interest Agreements	-	118,376	-	118,376	74,833
Property and Equipment (Net)	1,247,728	-	-	1,247,728	1,403,985
<b>TOTAL ASSETS</b>	<b>\$ 7,796,513</b>	<b>\$ 1,005,405</b>	<b>\$ 261,273</b>	<b>\$ 9,063,191</b>	<b>\$ 9,449,863</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>LIABILITIES:</b>					
Accounts Payable	\$ 716,469	\$ -	\$ -	\$ 716,469	\$ 385,662
Accrued Expenses	312,247	-	-	312,247	328,429
Deferred Revenue	237,553	-	-	237,553	168,110
Notes Payable	499,490	-	-	499,490	509,490
<b>TOTAL LIABILITIES</b>	<b>1,765,759</b>	<b>-</b>	<b>-</b>	<b>1,765,759</b>	<b>1,391,691</b>
<b>NET ASSETS:</b>					
<b>Unrestricted:</b>					
Undesignated	4,538,368	-	-	4,538,368	5,362,704
Board Designated	1,492,386	-	-	1,492,386	1,602,160
<b>Total Unrestricted Net Assets</b>	<b>6,030,754</b>	<b>-</b>	<b>-</b>	<b>6,030,754</b>	<b>6,964,864</b>
Temporarily Restricted	-	1,005,405	-	1,005,405	832,035
Permanently Restricted	-	-	261,273	261,273	261,273
<b>TOTAL NET ASSETS</b>	<b>6,030,754</b>	<b>1,005,405</b>	<b>261,273</b>	<b>7,297,432</b>	<b>8,058,172</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 7,796,513</b>	<b>\$ 1,005,405</b>	<b>\$ 261,273</b>	<b>\$ 9,063,191</b>	<b>\$ 9,449,863</b>

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

**AIDS PROJECT LOS ANGELES  
AND APLA DENTAL SERVICES**

CONSOLIDATED STATEMENT OF ACTIVITIES  
Year Ended June 30, 2010  
With Summarized Totals for the Year Ended June 30, 2009

	2010			Total	2009 Total
	Unrestricted	Temporarily Restricted	Permanently Restricted		
<b>REVENUE AND SUPPORT:</b>					
Fundraising Events	\$ 4,919,637	\$ -	\$ -	\$ 4,919,637	\$ 5,621,293
Less: Cost of Direct Donor Benefits	596,661	-	-	596,661	620,640
<b><i>TOTAL FUNDRAISING EVENTS</i></b>	4,322,976	-	-	4,322,976	5,000,653
Grants	6,909,615	-	-	6,909,615	7,230,898
Contributions	1,770,367	1,151,464	-	2,921,831	3,485,838
Medi-Cal Waiver	974,666	-	-	974,666	1,036,186
Contributed Goods and Services	1,257,763	-	-	1,257,763	1,461,480
Interest Income	92,870	-	-	92,870	168,370
Dental Income	88,882	-	-	88,882	171,898
Other Income	89,916	-	-	89,916	166,504
Change in Value of Split Interest Agreements	-	43,543	-	43,543	(3,978)
Net Assets Released from Purpose Restrictions	1,021,637	(1,021,637)	-	-	-
<b><i>TOTAL REVENUE AND SUPPORT</i></b>	16,528,692	173,370	-	16,702,062	18,717,849
<b>EXPENSES:</b>					
Program Services	12,567,086	-	-	12,567,086	13,333,655
Management and General	1,494,010	-	-	1,494,010	1,396,295
Fundraising	3,401,706	-	-	3,401,706	3,636,415
<b><i>TOTAL EXPENSES</i></b>	17,462,802	-	-	17,462,802	18,366,365
<b><i>CHANGE IN NET ASSETS</i></b>	(934,110)	173,370	-	(760,740)	351,484
Net Assets - Beginning of Year	6,964,864	832,035	261,273	8,058,172	7,706,688
<b><i>NET ASSETS - END OF YEAR</i></b>	\$ 6,030,754	\$ 1,005,405	\$ 261,273	\$ 7,297,432	\$ 8,058,172

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

**AIDS PROJECT LOS ANGELES AND APLA DENTAL SERVICES**

**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**

Year Ended June 30, 2010

With Summarized Totals for the Year Ended June 30, 2009

	2010								2009 Total
	Program Services			Total Program Services	Supporting Services		Total Supporting Services	Total	
	Client Support	Education	Government Affairs		Management and General	Fundraising			
Salaries and Wages	\$ 3,477,586	\$ 1,719,068	\$ 289,547	\$ 5,486,201	\$ 643,576	\$ 465,957	\$ 1,109,533	\$ 6,595,734	\$ 7,264,757
Payroll Taxes and Employee Benefits	870,514	369,327	54,798	1,294,639	132,253	88,487	220,740	1,515,379	1,550,738
<b>TOTAL PERSONNEL EXPENSES</b>	<b>4,348,100</b>	<b>2,088,395</b>	<b>344,345</b>	<b>6,780,840</b>	<b>775,829</b>	<b>554,444</b>	<b>1,330,273</b>	<b>8,111,113</b>	<b>8,815,495</b>
Professional and Contract Services	384,987	726,824	24,373	1,136,184	119,297	887,982	1,007,279	2,143,463	2,234,327
Occupancy	723,579	280,556	29,616	1,033,751	163,713	93,885	257,598	1,291,349	1,477,215
Temporary Help	200,035	138,820	-	338,855	-	749,753	749,753	1,088,608	992,774
Staff and Volunteer Training, Development and Travel	87,233	469,855	24,286	581,374	54,513	58,824	113,337	694,711	492,018
Food Supplies	672,389	-	-	672,389	-	-	-	672,389	905,459
Supplies and Equipment									
Rental and Maintenance	300,967	147,403	7,577	455,947	54,235	50,991	105,226	561,173	548,961
Attendant and Skilled Nursing Care	546,993	-	-	546,993	-	-	-	546,993	567,786
Printing and Duplicating	24,125	120,606	505	145,236	2,282	344,414	346,696	491,932	498,457
Legal and Accounting	76,356	9,096	181,911	267,363	58,249	162,633	220,882	488,245	276,542
Promotions and Outreach	43,728	112,496	882	157,106	16,812	251,851	268,663	425,769	464,605
Postage and Delivery	4,726	49,221	200	54,147	2,225	204,167	206,392	260,539	321,040
Support to Other Organizations	21,221	7,652	-	28,873	187,370	-	187,370	216,243	269,354
Depreciation	151,773	24,123	3,314	179,210	14,436	6,928	21,364	200,574	160,904
Communications	60,225	31,371	4,040	95,636	16,823	27,528	44,351	139,987	148,735
Insurance	60,288	28,921	3,973	93,182	17,307	8,306	25,613	118,795	144,989
Reserves and Other	-	-	-	-	10,919	-	10,919	10,919	47,704
<b>TOTAL 2010 FUNCTIONAL EXPENSES</b>	<b>\$ 7,706,725</b>	<b>\$ 4,235,339</b>	<b>\$ 625,022</b>	<b>\$ 12,567,086</b>	<b>\$ 1,494,010</b>	<b>\$ 3,401,706</b>	<b>\$ 4,895,716</b>	<b>\$ 17,462,802</b>	
<b>TOTAL 2009 FUNCTIONAL EXPENSES</b>	<b>\$ 9,755,336</b>	<b>\$ 3,045,000</b>	<b>\$ 533,319</b>	<b>\$ 13,333,655</b>	<b>\$ 1,396,295</b>	<b>\$ 3,636,415</b>	<b>\$ 5,032,710</b>		<b>\$ 18,366,365</b>

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

**AIDS PROJECT LOS ANGELES  
AND APLA DENTAL SERVICES**

**CONSOLIDATED STATEMENT OF CASH FLOWS**

Year Ended June 30, 2010

With Summarized Totals for the Year Ended June 30, 2009

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ (760,740)	\$ 351,484
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	200,574	160,904
Contribution of Split Interest Agreement	-	(39,002)
Change in Value of Split Interest Agreement	(43,543)	3,978
Amortization of Note Payable through Service Credits	(10,000)	(10,000)
Bad Debt Expense	12,420	47,704
(Increase) Decrease in:		
Accounts Receivable	48,843	46,455
Contributions Receivable	270,002	(771,353)
Grants Receivable	(128,602)	149,129
Medi-Cal Receivable	58,021	(44,855)
Prepaid Expenses and Other Assets	16,260	26,963
Inventory	(38,858)	58,243
Increase (Decrease) in:		
Accounts Payable	330,807	(476,698)
Accrued Expenses	(16,182)	(881)
Deferred Revenue	69,443	(63,671)
	<b>8,445</b>	<b>(561,600)</b>
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Property and Equipment	(44,317)	(786,327)
Proceeds from Maturity of Investments	163,827	1,564,328
	<b>119,510</b>	<b>778,001</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>127,955</b>	<b>216,401</b>
Cash and Cash Equivalents - Beginning of Year	1,053,903	837,502
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 1,181,858</b>	<b>\$ 1,053,903</b>

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

# **AIDS PROJECT LOS ANGELES AND APLA DENTAL SERVICES**

## **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS Year Ended June 30, 2010**

### **NOTE 1 - NATURE OF ORGANIZATION**

AIDS Project Los Angeles (APLA), one of the largest non-profit AIDS service organizations in the United States, provides bilingual direct services, HIV education and leadership on HIV/AIDS-related policy and legislation. With more than 25 years of service, APLA is a community-based, volunteer-supported organization with local, national and global reach.

#### **HISTORY**

Founded in October 1982, APLA was given its name by four friends who were frightened by the sudden deaths in their communities and enraged at an unresponsive government. APLA has grown from a telephone hotline, operated from a closet, to a provider of comprehensive social services, HIV prevention and government advocacy through ten locations across Los Angeles County.

#### **HIV PREVENTION**

Since the beginning of the epidemic, APLA has produced innovative prevention programs to reduce HIV infection rates through individual, group and community-level activities. APLA's current prevention programs target those at greater risk of HIV infection through community organizing, peer health education, research and evaluation, the mobilization of HIV prevention leadership through summits and conferences, multimedia social marketing campaigns that appear on Web sites and in magazines, on billboards and in interactive outlets.

#### **PROGRAMS AND DIRECT SERVICES**

APLA's programs and services enhance the health and quality of life of people living with HIV disease. The people APLA serves reflect the populations living with HIV in Los Angeles County. Most are people of color who live at or below the poverty level and face multiple challenges to their physical and mental health. APLA serves nearly 10,000 clients annually with life-sustaining programs that provide food, housing help, mental health care and much more. Included within APLA is APLA Dental Services, a nonprofit organization which was incorporated on September 16, 2004. APLA Dental Services provides comprehensive dental services to people with HIV/AIDS throughout Los Angeles County, regardless of their ability to pay.

#### **GOVERNMENT AFFAIRS**

APLA's policy work comprises a wide range of activities to develop and defend government programs that people affected by HIV/AIDS depend on. These efforts include grassroots trainings and communications, policy position papers, informing and educating decision-makers at all levels of government, public speaking and testimony, and working with coalitions of other advocates to achieve high-quality care, treatment and prevention services.

## **AIDS PROJECT LOS ANGELES AND APLA DENTAL SERVICES**

### **NOTES TO CONSOLIDATED FINANCIAL STATEMENTS** Year Ended June 30, 2010

#### **NOTE 1 - NATURE OF ORGANIZATION** (continued)

##### **GLOBAL FORUM ON MSM & HIV**

In 2006, a group of advocates and organizations from around the world established the Global Forum on MSM & HIV (MSMGF) during the XVI International AIDS Conference in response to the need for a coordinated global response to HIV among men who have sex with men (MSM). The mission of the MSMGF is to advocate for equitable access to effective HIV prevention, care, treatment and support services for gay men and other MSM, including MSM living with HIV, while promoting their health and human rights worldwide. Guided by a 20-member steering committee representing 17 countries, including five delegates from Africa, three from Asia, five from Latin America and the Caribbean, the steering committee's composition is a reflection of the MSMGF's commitment to uphold of global perspective on MSM and HIV issues.

Since the inception of the MSMGF, AIDS Project Los Angeles has staffed and served as the fiscal agent for the MSMGF. AIDS Project Los Angeles provides the MSMGF with office space and administrative, financial, and operational support. During the year ending June 30, 2010, the MSMGF received funding from Aids Fonds the Netherlands, Hivos, UNAIDS, Open Society Institute, the United Kingdom Department for International Development (DFID), the Bill and Melinda Gates Foundation, and the Levi Strauss Foundation among others.

The MSMGF has a broad portfolio of programmatic and policy-related activities, including networking events, research, technical assistance, capacity building, and global advocacy. In the past year, the MSMGF has issued several calls to action, open letters to heads of state, and position papers on issues ranging from concern about the criminalization of homosexuality to the pathologization of transgender people. The MSMGF was among a group of global AIDS advocates calling to accelerate progress towards achieving the United Nations' Millennium Development Goals and urging for the greater involvement of MSM in decision making at the country level to help key at-risk populations access resources disseminated by the Global Fund. The MSMGF developed an advocacy toolkit designed to train MSM to advocate on their own behalf for expanded coverage of rights-based, HIV-related services in their respective countries. The MSMGF also collaborated with the World Health Organization to develop guidelines for the prevention and treatment of HIV and other sexually transmitted infections among MSM and transgender people. And finally, to help increase understanding of the HIV prevention knowledge and needs of MSM globally, the MSMGF completed a multi-lingual online survey of over 5,000 MSM and MSM service providers from across all major regions of the world. Survey results will help inform future advocacy priorities focused on HIV prevention research and programs.

In July, 2010 the MSMGF organized and produced, *Be Heard*, a one-day, pre-conference event to the XVIII International AIDS Conference in Vienna, Austria. *Be Heard* convened over 500 advocates, researchers, public health officials, representatives of multi-lateral organizations, and global donors representing 321 organizations from 80 countries, for workshops, skills building, information exchange and networking sessions. *Be Heard*, explored the challenges and best practices in achieving universal access to HIV-related prevention, care, treatment, and support services for MSM and transgender communities worldwide.

**AIDS PROJECT LOS ANGELES  
AND APLA DENTAL SERVICES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
Year Ended June 30, 2010

**NOTE 1 - NATURE OF ORGANIZATION** (continued)

**GLOBAL FORUM ON MSM & HIV** (continued)

Included in APLA's consolidated financial statements for the year ended June 30, 2010, is revenue of \$1,242,686 and expenses of \$1,293,880 restricted to the MSMGF. A Supplemental Statement of Activities for MSMGF can be found on Page 24. Funding commitments to the MSMGF that extend beyond APLA's fiscal year are not included in these consolidated financial statements.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) PRINCIPLES OF CONSOLIDATION**

The consolidated financial statements include the accounts of AIDS Project Los Angeles and APLA Dental Services after elimination of all inter-company transactions and balances.

**(b) BASIS OF PRESENTATION**

The consolidated financial statements have been prepared on the accrual basis of accounting.

**(c) ACCOUNTING**

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of APLA are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as follows:

- **Unrestricted Undesignated Net Assets.** These generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving income from investments less expenses incurred in providing program related services, raising contributions, and performing administrative functions. At June 30, 2010, APLA has \$4,538,368 of unrestricted undesignated net assets.
- **Unrestricted Board Designated Net Assets.** These are comprised of resources, which the Board of Directors has established as being designated as an operating reserve. For purposes of complying with net assets accounting, this fund is included in unrestricted net assets at June 30, 2010 with a balance of \$1,492,386.

**AIDS PROJECT LOS ANGELES  
AND APLA DENTAL SERVICES**

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended June 30, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

(c) **ACCOUNTING** (continued)

- **Temporarily Restricted Net Assets.** APLA reports gifts of cash and other assets as temporarily restricted support 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 the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statement of activities as net assets released from purpose or time restrictions. At June 30, 2010, APLA has \$1,005,405 of temporarily restricted net assets.
- **Permanently Restricted Net Assets.** These net assets are received from donors who stipulate that resources are to be maintained permanently, but permit APLA to expend all of the income (or other economic benefits) derived from the donated assets. APLA has \$261,273 of permanently restricted net assets at June 30, 2010.

(d) **CASH AND CASH EQUIVALENTS**

APLA considers all highly liquid investments with an initial maturity of three months or less when purchased to be cash and cash equivalents. The carrying value of cash and cash equivalents at June 30, 2010 approximates its fair value.

APLA places its temporary cash investments with high-credit, quality financial institutions which, at times, may exceed federally insured limits. APLA has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents and investments.

(e) **INVESTMENTS**

Investments in marketable securities with readily determinable fair market values are reported at fair value. Interest and dividend income and gains and losses on investments are reflected in the consolidated statement of activities as increases or decreases in unrestricted net assets unless their use is restricted by donor stipulations or law. At June 30, 2010, investments consist of certificates of deposit.

**AIDS PROJECT LOS ANGELES  
AND APLA DENTAL SERVICES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
Year Ended June 30, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(f) ACCOUNTS RECEIVABLE**

Receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, represents their estimated net realizable value. The allowance for doubtful accounts is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific receivable balances may be impaired, further consideration is given to the collectability of those balances and the allowance is adjusted accordingly. Past due receivable balances are written-off when internal collection efforts have been unsuccessful in collecting the amount due. Included in accounts receivable at June 30, 2010 is an allowance for doubtful accounts of \$100,704.

**(g) CONTRIBUTIONS RECEIVABLE**

Unconditional contributions, including pledges recorded at fair value, are recognized as revenues in the period received. APLA reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets.

**(h) GRANTS RECEIVABLE AND DEFERRED REVENUE**

Revenue from government grants is recorded to the extent of the expenses incurred under the grant for cost reimbursement grants, or services provided for fee-for-service grants. Any difference between expenses incurred or services provided and the total funds received under the grants are recorded as receivables from the granting agencies to the extent of the grant awards. Any funds received in excess of expenditures are recorded as deferred revenue.

The total amount of grants receivable at June 30, 2010 of \$1,416,237 consists of grants from government agencies which are deemed fully collectible within one year.

**(i) INVENTORY**

Inventory consists primarily of food items, most of which are canned and non-perishable. Purchased inventory is stated at the lower of cost or market. Inventory purchased at below market prices from the Los Angeles Regional Food Bank and donated inventory are stated at the wholesale price.

**AIDS PROJECT LOS ANGELES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
Year Ended June 30, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(j) SPLIT INTEREST AGREEMENTS**

At June 30, 2010, split interest agreements consist of the following:

- **Gift Annuity Receivable:** The California Community Foundation, on behalf of APLA, has received donations of assets in exchange for distributions of a fixed amount for a specific period of time to the donor or other beneficiaries. At June 30, 2010 APLA has recorded a receivable of \$81,433, which reflects the fair market value of the donated assets at June 30, 2010 net of the annuitant liability, which is adjusted annually to reflect changes in life expectancies.
- **Beneficial Interest in Charitable Remainder Trust:** APLA has been designated as the beneficiary of assets held in a charitable remainder trust administered by other trustees. Upon initial recognition of such beneficial interests, a receivable is recorded at the present value of the amount held by the trustee that is expected to be received by APLA. APLA uses an interest rate commensurate with the risks involved to discount the receivable. The amortization of this discount and changes in actuarial assumptions are reflected in the consolidated statement of activities as a change in value of split interest agreements. At June 30, 2010 APLA's beneficial interest in the charitable remainder trust amounted to \$36,943.

**(k) PROPERTY AND EQUIPMENT**

Property and equipment are recorded at cost, if purchased or at fair value at the date of donation if donated. Depreciation is provided on the straight-line method over the estimated useful lives of the assets. The cost of maintenance and repairs is recorded as expense as incurred; significant renewals and betterments are capitalized. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$500 and the useful life is greater than one year. The estimated useful lives of property and equipment are as follows:

Leasehold Improvements	Shorter of Asset Life or Lease Term
Equipment, Furniture and Fixtures	3 - 7 Years
Building	10 Years

At times, the State of California and other government agencies provide grants for the purchase of assets that are used by APLA in the provision of program services. These assets are not capitalized by APLA as the State of California and other government agencies have a reversionary interest in such assets.

**AIDS PROJECT LOS ANGELES  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended June 30, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(l) LONG-LIVED ASSETS**

APLA evaluates long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No such impairment losses have been recognized during the year ended June 30, 2010.

**(m) INCOME TAXES**

APLA is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the code) and the corresponding state provisions.

**(n) CONTRIBUTED GOODS AND SERVICES**

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services are recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. For the year ended June 30, 2010, contributed goods and services consist of the following:

Food Supplies	\$	470,881
Legal Services		483,574
Volunteer Hours		202,960
Transportation		86,212
Other		<u>14,136</u>
<b>TOTAL CONTRIBUTED GOODS AND SERVICES</b>		<u>\$ 1,257,763</u>

APLA receives a significant amount of contributed time from volunteers who assist in various programs that does not meet the recognition criteria described above. Accordingly, the value of this contributed time is not reflected in the accompanying financial statements. The hours contributed is estimated by management to be approximately 84,000 hours valued at approximately \$1,956,000 (using the Independent Sector's dollar value of a volunteer hour in California of \$23.29).

**(o) FUNCTIONAL ALLOCATION**

The costs of providing APLA's various programs and supporting services have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited by a method that best measures the relative degree of benefit. APLA uses payroll hours and full time equivalents to allocate indirect costs.

**AIDS PROJECT LOS ANGELES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
Year Ended June 30, 2010

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(p) USE OF ESTIMATES**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**(q) COMPARATIVE TOTALS**

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the consolidated financial statements of APLA for the year ended June 30, 2009 from which the summarized information was derived.

**(r) FASB ACCOUNTING STANDARDS CODIFICATION**

In June 2009, the Financial Accounting Standards Board (FASB) issued the FASB Accounting Standards Codification (the ASC). The ASC has become the single source of non-governmental accounting principles generally accepted in the United States (GAAP) recognized by the FASB in preparation of financial statements. APLA adopted the ASC as of June 30, 2010. The ASC does not change GAAP and did not have an effect on APLA's consolidated financial position, results of operations or cash flows.

**(s) SUBSEQUENT EVENTS**

APLA has evaluated events and transactions occurring subsequent to the consolidated statement of financial position date of June 30, 2010 for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through November 30, 2010, the date these financial statements were available to be issued. No such material events or transactions were noted to have occurred.

**NOTE 3 - FAIR VALUE MEASUREMENTS**

APLA has implemented the accounting standard that defines fair value for those assets (and liabilities) that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. This standard applies to fair value measurements already required or permitted by existing standards.

**AIDS PROJECT LOS ANGELES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
Year Ended June 30, 2010

**NOTE 3 - FAIR VALUE MEASUREMENTS** (continued)

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset (or liability) and include situations where there is little, if any, market activity for the asset (or liability).

The following table presents information about APLA's assets and liabilities that are measured at fair value on a recurring basis at June 30, 2010 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Fair Value Measurements Using			
	Year Ended June 30, 2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Certificates of Deposit	\$ 3,390,392	\$ -	\$ 3,390,392	\$ -
Split Interest Agreements	118,376	-	-	118,376
<b>TOTAL</b>	<b>\$ 3,508,768</b>	<b>\$ -</b>	<b>\$ 3,390,392</b>	<b>\$ 118,376</b>

The fair values of marketable securities within Level 1 were obtained based on quoted market prices at the closing of the last business day of the fiscal year.

The fair value of the split interest agreements within Level 3 was determined as described in Note 2(j).

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
	Temporarily Restricted Split Interest Agreements
Beginning Balance	\$ 74,833
Change in Value	43,543
<b>ENDING BALANCE</b>	<b>\$ 118,376</b>

**AIDS PROJECT LOS ANGELES  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended June 30, 2010

**NOTE 4 - CONTRIBUTIONS RECEIVABLE**

Included in contributions receivable at June 30, 2010 is the use of donated land for the S. Mark Taper Foundation Center through March 2019. The use of the land is expected to be recognized as follows for the years ending June 30:

<b>Years Ending June 30</b>		
2011	\$	39,662
2012		39,662
2013		39,662
2014		39,662
2015		39,662
Thereafter		145,426
<b>TOTAL</b>	<b>\$</b>	<b>343,736</b>

In-kind rent expense for the year ended June 30, 2010 was \$39,662.

The balance of contributions receivable at June 30, 2010 of \$324,580 is expected to be collected in its entirety during the year ended June 30, 2011.

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment at June 30, 2010 consist of the following:

Leasehold Improvements	\$ 1,421,283
Equipment	987,237
Building	699,302
Furniture and Fixtures	132,543
Donated Assets	19,133
<b>TOTAL</b>	3,259,498
Less: Accumulated Depreciation	(2,011,770)
<b>PROPERTY AND EQUIPMENT (NET)</b>	<b>\$ 1,247,728</b>

Depreciation expense for the year ended June 30, 2010 was \$200,574.

**NOTE 6 - ACCRUED EXPENSES**

Accrued expenses at June 30, 2010 consist of the following:

Accrued Vacation	\$ 264,364
Other Accrued Expenses	47,883
<b>TOTAL ACCRUED EXPENSES</b>	<b>\$ 312,247</b>

**AIDS PROJECT LOS ANGELES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended June 30, 2010**

**NOTE 7 - NOTES PAYABLE**

Notes payable at June 30, 2010 consist of the following:

State of California Department of Housing and Community Development for the Pre-Payment of a Long-Term Lease Agreement on a Residential Facility for Persons with AIDS; Secured by APLA's Leasehold Interest in the Property, Bearing Interest at 3% per Annum, Unpaid Balance of Principal and Interest Due July 2025	\$ 280,000
City of Los Angeles Community Redevelopment Agency for the Renovation of a Residential Facility for Persons with AIDS; Secured by APLA's Leasehold Interest in the Property, Non-Interest Bearing, Unpaid Principal Balance Due August 2031	<u>219,490</u>
<b>TOTAL NOTES PAYABLE</b>	<u>\$ 499,490</u>

In 1991, APLA borrowed \$280,000 from the Department of Housing and Community Development of the State of California (the State). With the proceeds from this loan, APLA prepaid a 40-year lease in the amount of \$207,288 for a residential apartment building that provides housing to persons living with HIV/AIDS. The remaining \$72,712 was spent on leasehold improvements to the property. The remaining balance of the lease of \$139,621 and the unamortized leasehold improvements totaling \$51,002 are currently being amortized over a 40-year term of the lease. Upon maturity of the note and in accordance with the terms of the prepaid lease agreement, another organization (the lessor) will provide APLA with the principal amount due on the note payable, which APLA will, in turn, remit to the State. Due to the uncertainty of collection of the receivable, it has not been recorded in the accompanying consolidated financial statements.

The Community Redevelopment Agency (the City) loan is a "service repayment loan" and reduces at a rate of \$10,000 a year based upon the subject property being used to provide low-income housing to people living with HIV/AIDS. No principal or interest is due prior to maturity as long as the property continues to be used for the intended purpose. Due to the nature of the service credits, APLA recognizes such amounts after receiving approval from the City.

Future minimum payments, by year, and in the aggregate, under these notes consist of the following:

Years Ending June 30	Service Credits	Payments	Total
2011	\$ 10,000	\$ -	\$ 10,000
2012	10,000	-	10,000
2013	10,000	-	10,000
2014	10,000	-	10,000
2015	10,000	-	10,000
Thereafter	<u>169,490</u>	<u>280,000</u>	<u>449,490</u>
<b>TOTAL</b>	<u>\$ 219,490</u>	<u>\$ 280,000</u>	<u>\$ 499,490</u>

**AIDS PROJECT LOS ANGELES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
Year Ended June 30, 2010**

**NOTE 8 - COMMITMENTS AND CONTINGENCIES**

**(a) OPERATING LEASES**

APLA leases office space and office equipment under operating lease agreements that expire at various dates through November 2013. Future minimum annual lease payments as of June 30, 2010 are as follows:

<b>Years Ending June 30</b>	
2011	\$ 1,038,347
2012	604,713
2013	437,131
2014	<u>31,772</u>
<b>TOTAL</b>	<u><b>\$2,111,963</b></u>

Rent expense for the year ended June 30, 2010 totaled \$1,066,242 and is included in occupancy in the consolidated statement of functional expenses.

**(b) LEGAL MATTERS**

In the ordinary course of business, APLA may become subject to certain lawsuits and other potential legal actions. In the opinion of the management, such matters will not have a material effect on the consolidated financial position of the organization.

**(c) GRANTS AND CONTRACTS**

APLA's grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated.

**NOTE 9 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets at June 30, 2010 consist of the following:

APLA Dental Services Operations	\$ 343,736
Global Forum on MSM & HIV	203,058
Art Project Los Angeles	198,330
Split Interest Agreements	118,376
AIDS Walk Los Angeles	65,000
Treatment Education Programs	50,000
Other	15,655
Client Services	<u>11,250</u>
<b>TOTAL TEMPORARILY RESTRICTED NET ASSETS</b>	<u><b>\$ 1,005,405</b></u>

**AIDS PROJECT LOS ANGELES  
AND APLA DENTAL SERVICES**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
Year Ended June 30, 2010

**NOTE 10 - ENDOWMENTS**

APLA's endowments consist of funds established for a variety of purposes. Endowment funds are established by donor-restricted gifts to either provide a permanent endowment, which is to provide a permanent source of income to APLA, or a term endowment, which is to provide income for a specified period to APLA. Beneficial interests in split interest agreements are not considered part of APLA's endowments, nor are Board designated net assets, since they are designated for particular programs or capital projects.

APLA's management understands California State law as (1) requiring the preservation of the fair value of the original gifts as of the gift date of the donor restricted endowment funds, absent donor stipulations to the contrary and (2) allowing the spending of income and gains on permanently restricted endowments, absent explicit donor stipulations that all or a portion of such gains be maintained in perpetuity.

The primary long-term financial objective for APLA'S endowments is to preserve the real (inflation-adjusted) purchasing power of endowment assets and income after accounting for endowment spending, inflation and costs of portfolio management.

During the year ended June 30, 2010, APLA appropriated \$9,361 for operations, representing the interest earned on the endowment portfolio for the year.

**NOTE 11 - SUPPORT TO OTHER ORGANIZATIONS**

It is the policy of the Board of Directors to support other service organizations whose goals are compatible with and whose services supplement those of APLA. In this regard, during the year ended June 30, 2010, APLA contributed \$216,243 to other service organizations.

**NOTE 12 - RELATED PARTY TRANSACTIONS**

APLA's Board of Directors has a conflict of interest policy in place that is intended to assure APLA's stakeholders that the decisions of APLA are made objectively and with full knowledge of the involvement, if any, of the Board of Directors and staff. At times during the course of the year, APLA may determine that doing business with a Board member is in the best interest of APLA. In accordance with the APLA's by-laws, such transactions are reviewed and approved by APLA's Board of Directors.

**(a) AIDS ACTION COUNCIL**

AIDS Action is a national organization that has addressed the needs of people who are at risk for and living with HIV infection, and the organizations that serve them. AIDS Action has two arms with separate but complimentary functions: AIDS Action Foundation, a registered 501(c)(3) and AIDS Action Council, a registered 501(c)(4). AIDS Action Council is a membership organization consisting of community-based organizations, local health departments and clinics, service providers, and health educators, including APLA. The executive director of APLA currently serves as treasurer on the AIDS Action Council Board of Directors. During the year ended June 30, 2010, APLA made payments to AIDS Action Council of \$50,000 for membership dues.

**AIDS PROJECT LOS ANGELES  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
Year Ended June 30, 2010

**NOTE 12 - RELATED PARTY TRANSACTIONS** (continued)

**(b) LEGAL SERVICES**

A Director on the Board of APLA is a partner at a law firm that contributed pro-bono legal services to APLA during the year ended June 30, 2010 in the amount of \$179,681.

**NOTE 13 - EMPLOYEE BENEFIT PLAN**

APLA sponsors a voluntary retirement plan which includes a discretionary employer matching provision. The plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA). APLA incurred matching expenses of \$150,752 for the year ended June 30, 2010.

**NOTE 14 - ALLOCATION OF JOINT COSTS**

Through certain fundraising events, APLA incurred joint costs of \$2,166,021 to expand HIV/AIDS awareness, to inform the public of the HIV/AIDS health crisis and to raise funds. Of those costs, \$1,668,277 was allocated to fundraising expenses and \$497,744 was allocated to program services.

**AIDS PROJECT LOS ANGELES  
AND APLA DENTAL SERVICES**

SUPPLEMENTAL INFORMATION

YEAR ENDED JUNE 30, 2010

**AIDS PROJECT LOS ANGELES  
AND APLA DENTAL SERVICES**

SCHEDULE OF EXPENDITURES OF FEDERAL AND NONFEDERAL AWARDS  
Year Ended June 30, 2010

Agency - Program Grant Title	Contract Number	Federal CFDA Number	Governmental Revenue		Program Expenditures from Governmental Revenue
			Federal	Nonfederal	
<b>FEDERAL AWARDS</b>					
Agency - Program Grant Title					
<b>MAJOR AWARDS</b>					
U.S. Department of Health and Human Services:					
Pass-through, County of Los Angeles, Office of AIDS Program & Policy:					
HIV/AIDS Case Management, Home-Based Services	H-204620	93.914	\$ 686,850	\$ -	\$ 686,850
HIV/AIDS Oral Health Care (Dental Services)	H-204505	93.914	904,234	-	904,234
HIV/AIDS Case Management Services	H-210849	93.914	29,877	-	29,877
AIDS & HIV Mental Health and Pyscho Social Support Services	H-210815	93.914	269,235	-	269,235
AIDS & HIV Food and Nutrition Services	H-700241	93.914	411,525	-	411,525
			<u>2,301,721</u>	<u>-</u>	<u>2,301,721</u>
Department of Housing and Urban Development:					
Pass-through HOPWA Program of the City of Los Angeles:					
HOPWA Housing Case Management	112268	14.241	306,999	-	306,999
HOPWA Supportive Services in Permanent Housing	112268	14.241	106,308	-	106,308
HOPWA Other Supportive Services	112268	14.241	166,652	-	166,652
			<u>579,959</u>	<u>-</u>	<u>579,959</u>
Federal Emergency Management Agency:					
Pass-through Local Services Board of Federal Emergency Management Agency - Emergency Food & Shelter Program Phase XXV					
Management Agency - Emergency Food & Shelter Program Phase XXV	069500-001	97.024	77,117	-	77,117
Management Agency - Emergency Food & Shelter Program Phase AF	AR-0695-001	97.114	28,028	-	28,028
			<u>105,145</u>	<u>-</u>	<u>105,145</u>
<b>TOTAL MAJOR AWARDS</b>			<u>2,986,825</u>	<u>-</u>	<u>2,986,825</u>
<b>NON-MAJOR AWARDS</b>					
U.S. Department of Health and Human Services:					
Pass-through, County of Los Angeles, Office of AIDS Program & Policy:					
HIV/AIDS Psycho Social Support Services,					
HIV/AIDS Case Management Services	H-210849	93.917	374,675	-	374,675
HIV/AIDS Client Advocacy	H-700937	93.943	111,785	-	111,785
AIDS Case Management Program	07-65181	93.917	233,448	-	233,448
HIV/AIDS Peer Support - Training Services	H-700260	93.917	14,902	-	14,902
			<u>734,810</u>	<u>-</u>	<u>734,810</u>
U.S. Department of Health and Human Services:					
HIV Prevention Services for Racial/ Ethnic Minority Population					
Population	U65/CCU924536-04	93.943	177,940	-	177,940
CBA for CBO's and Health Departments	1U65PS001734	93.943	929,318	-	929,318
			<u>1,107,258</u>	<u>-</u>	<u>1,107,258</u>
Pass-through County of Los Angeles Center for Disease Control and Prevention					
HIV/AIDS Health Education Risk Reduction					
Comprehensive Risk Counseling and Services	H-700940	93.940	138,870	-	138,870
Comprehensive Risk Counseling and Services	H700940 & PH001051	93.940	91,953	-	91,953
Health Education/Risk Reduction Prevention Services	H700940 & PH001026	93.940	534,783	-	534,783
HIV Counseling, Testing and Referral Services	PH000805	93.940	18,637	-	18,637
HERR Mpowerment	H700940	93.940	51,500	-	51,500
			<u>835,743</u>	<u>-</u>	<u>835,743</u>
Health Care Finance Administration:					
Pass-through State Department of Health and Human Services - AIDS Medi-Cal Waiver Program (*)					
Services - AIDS Medi-Cal Waiver Program (*)	03-76049	13.118	487,333	487,333	974,666
National Institute of Health Subcontract:					
UCSF - Connections for Life					
UCSF - Connections for Life	4315sc	93.942	92,426	-	92,426
Social Security Administration:					
Social Security Benefits Planning Assistance & Outreach					
Social Security Benefits Planning Assistance & Outreach	7715-5916	96.008	71,579	-	71,579

**AIDS PROJECT LOS ANGELES  
AND APLA DENTAL SERVICES**

**SCHEDULE OF EXPENDITURES OF FEDERAL AND NONFEDERAL AWARDS  
Year Ended June 30, 2010**

	Contract Number	Federal CFDA Number	Governmental Revenue		Program Expenditures from Governmental Revenue
			Federal	Nonfederal	
State of California Department of Mental Health Pass-through Los Angeles County Department of Mental Health - Mental Health Services	MH120188	N/A	-	32,109	32,109
City of West Hollywood	2008 - 2009		-	219,971	219,971
Accelerating Excellence in Translational Science (AXIS)	10-11-SMG-GOB11KP2	93.389	4,250	-	4,250
City of Los Angeles HIV Prevention Program	C - 113439	N/A	-	49,449	49,449
NIAID HIV Vaccine Research Education Initiative Program	3727-0104-APLA	93.001	39,492	-	39,492
University of California					
UARP - CA Center for HIV/AIDS Research Policy	RP08 - APLA - 604	N/A	-	117,307	117,307
UARP - Network for AIDS Research in Los Angeles (NARLA)	CH07-APLA-609	N/A	-	32,616	32,616
UARP HIV + Latino MSMW - NARLA Part 2	1568 G MA172	N/A	-	29,649	29,649
Department for International Development	200886-102	N/A	-	431,122	431,122
Tobacco Control and Prevention Services	PH000882	N/A	-	97,651	97,651
RAND Corporation					
Evaluation of Treatment Advocacy Involving Patients in HIV Care	9920070055	93.361	27,358	-	27,358
<b>TOTAL NON-MAJOR AWARDS</b>			<b>3,400,249</b>	<b>1,497,207</b>	<b>4,897,456</b>
<b>TOTAL FEDERAL AND NONFEDERAL AWARDS</b>			<b>\$ 6,387,074</b>	<b>\$ 1,497,207</b>	<b>\$ 7,884,281</b>

**Summary of Significant Accounting Policies**

1 Basis of Accounting - The Schedule of Expenditures of Federal and Nonfederal Awards has been reported on the accrual basis of accounting.

2 APLA is exempt from income taxation under Internal Revenue Code Section 501(c)(3) and California Revenue Taxation Code Section 23701d.

(\* This contract is a fee for service contract. The amount represents expenditures for fiscal year 2009

**AIDS PROJECT LOS ANGELES  
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**The Global Forum on MSM and HIV**

**SUPPLEMENTAL STATEMENT OF ACTIVITIES  
Year Ended June 30, 2010**

Grants	\$ 431,122	
Contributions	802,468	
Contributed Goods and Services	<u>9,096</u>	
<b>TOTAL REVENUE</b>		<b>\$ 1,242,686</b>
Salaries and Wages	341,981	
Staff Development and Travel	322,865	
Professional and Contracted Services	218,462	
Indirect Cost Charges	186,106	
Taxes and Benefits	63,969	
Printing and Duplication	49,476	
Materials, Equipment and Supplies	40,616	
Occupancy	34,138	
Promotion and Outreach	9,794	
Accounting and Legal	9,096	
Communications	8,364	
Support to Other Organizations	7,652	
Postage and Delivery	<u>1,361</u>	
<b>TOTAL EXPENSES</b>		<b><u>1,293,880</u></b>
<b>CHANGE IN NET ASSETS</b>		<b><u><u>\$ (51,194)</u></u></b>

See Independent Auditors' Report