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Form **990**Department of the Treasury
Internal Revenue Service**Return of Organization Exempt From Income Tax**

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

OMB No 1545-0047

2009**Open to Public Inspection**

▶ The organization may have to use a copy of this return to satisfy state reporting requirements

A For the 2009 calendar year, or tax year beginning July 1 , 2009, and ending June 30 , 20 10	
B Check if applicable: ☐ Address change ☐ Name change ☐ Initial return ☐ Terminated ☐ Amended return ☐ Application pending	C Name of organization AIDSNET Doing Business As AIDSNET Number and street (or P.O. box if mail is not delivered to street address) Room/suite 2200 Avenue A 102 City or town, state or country, and ZIP + 4 Bethlehem, PA 18017
	D Employer identification number 23 2755276
	E Telephone number (610) 882-1119
	G Gross receipts \$
	F Name and address of principal officer Karen Smoyer 202 Main Street, Alburtis, PA 18011
I Tax-exempt status ☒ 501(c) (3) (insert no) ☐ 4947(a)(1) or ☐ 527	H(a) Is this a group return for affiliates? ☐ Yes ☒ No H(b) Are all affiliates included? ☐ Yes ☐ No If "No," attach a list (see instructions) H(c) Group exemption number ▶
J Website: ▶ aidsnetpa.org	
K Form of organization ☒ Corporation ☐ Trust ☐ Association ☐ Other ▶	L Year of formation. 1994 M State of legal domicile PA

Part I Summary

Activities & Governance	1 Briefly describe the organization's mission or most significant activities: AIDSNET Builds Healthier Communities by Planning and Funding HIV/AIDS Care and Prevention Services AIDSNET contracts with agencies in the six Pennsylvania counties of Berks, Carbon, Lehigh, Monroe, Northampton and Schuylkill that provide prevention and care services needed in the communities.		
	2 Check this box ☐ if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	3 Number of voting members of the governing body (Part VI, line 1a)	3	18
	4 Number of independent voting members of the governing body (Part VI, line 1b)	4	18
	5 Total number of employees (Part V, line 2a)	5	5
	6 Total number of volunteers (estimate if necessary)	6	0
	7a Total gross unrelated business revenue from Part VIII, column (C), line 12	7a	0
7b Net unrelated business taxable income from Form 990-E, line 34	7b	0	
Revenue	8 Contributions and grants (Part VIII, line 1b)	Prior Year	Current Year
	9 Program service revenue (Part VIII, line 2g)	2,195,396	2,272,872
	10 Investment income (Part VIII, column (A), lines 3, 4, and 7d)	0	0
	11 Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11a)	350	229
	12 Total revenue—add lines 8 through 11 (must equal Part VIII, column (A), line 12)	2,195,746	2,273,101
Expenses	13 Grants and similar amounts paid (Part IX, column (A), lines 1–3)	1,816,865	1,884,789
	14 Benefits paid to or for members (Part IX, column (A), line 4)		
	15 Salaries, other compensation, employee benefits (Part IX, column (A), lines 5–10)	308,477	322,601
	16a Professional fundraising fees (Part IX, column (A), line 11e)		
	b Total fundraising expenses (Part IX, column (D), line 25) ▶		
	17 Other expenses (Part IX, column (A), lines 11a–11d, 11f–24f)	66,631	63,434
18 Total expenses. Add lines 13–17 (must equal Part IX, column (A), line 25)	2,191,973	2,270,824	
19 Revenue less expenses. Subtract line 18 from line 12	3,773	2,277	
Net Assets or Fund Balances	20 Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	21 Total liabilities (Part X, line 26)	621,917	307,258
	22 Total assets or fund balances. Subtract line 21 from line 20	546,497	229,561
		75,420	77,697

Part II Signature Block

Sign Here	Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.		
	Signature of officer: <i>Ann Stuart Thacker</i> Date: <i>11/12/10</i>		
Paid Preparer's Use Only	Preparer's signature: <i>Ann Stuart Thacker, Executive Director</i>	Date: <i>11/12/10</i>	Check if self-employed ☐
	Firm's name (or yours if self-employed), address, and ZIP + 4	EIN	Preparer's identifying number (see instructions)

May the IRS discuss this return with the preparer shown above? (see instructions) ☐ Yes ☐ No

For Privacy Act and Paperwork Reduction Act Notice, see the separate instructions.

Cat No 11282Y

Form **990** (2009)

SCANNED DEC 06 2010

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Part III Statement of Program Service Accomplishments

- 1**
- Briefly describe the organization's mission:

AIDSNET Builds Healthier Communities by Planning and Funding HIV/AIDS Care and Prevention Services.**AIDSNET covers the six counties of Berks, Carbon, Lehigh, Monroe, Northampton and Schuylkill and contracts with agencies that provide prevention and care services needed in the communities.**

- 2** Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ? ☐ Yes ☒ No
If "Yes," describe these new services on Schedule O.
- 3** Did the organization cease conducting, or make significant changes in how it conducts, any program services? ☐ Yes ☒ No
If "Yes," describe these changes on Schedule O.
- 4** Describe the exempt purpose achievements for each of the organization's three largest program services by expenses. Section 501(c)(3) and 501(c)(4) organizations and section 4947(a)(1) trusts are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

- 4a** (Code:) (Expenses \$ **1,237,391** including grants of \$ **1,033,394**) (Revenue \$)
Federal Ryan White Part B funds provided various HIV-related services, including case management, and treatment adherence. These funds were also used to provide direct patient care services such as mental health, emergency financial assistance, outpatient medical care, medical transportation and legal services for 1,202 people who are infected or affected with HIV/AIDS.

- 4b** (Code:) (Expenses \$ **554,403** including grants of \$ **432,170**) (Revenue \$)
State 656 funds provided various HIV/AIDS prevention programs, including outreach, interventions delivered to individuals and groups, health communications/public information and other prevention activities to 24,233 people in the six-county area. State funds were also used to supplement Ryan White funds for care services, such as case management.

- 4c** (Code:) (Expenses \$ **471,997** including grants of \$ **419,225**) (Revenue \$)
Federal HOPWA funds provided various housing opportunities, including short-term rent/mortgage/utility payments, tenant-based rental assistance, first month rent and security payments and transitional housing. These funds were also used for housing-based case management services. Total served with HOPWA funds was 317 people in the six-county area who are either affected by or infected with HIV/AIDS.

- 4d**
- Other program services. (Describe in Schedule O.)

(Expenses \$ including grants of \$) (Revenue \$)

- 4e Total program service expenses ► 2,263,791**

Part IV Checklist of Required Schedules

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? If "Yes," complete Schedule A	☒	☐
2 Is the organization required to complete Schedule B, Schedule of Contributors?	☐	☒
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? If "Yes," complete Schedule C, Part I	☐	☒
4 Section 501(c)(3) organizations. Did the organization engage in lobbying activities? If "Yes," complete Schedule C, Part II	☐	☒
5 Section 501(c)(4), 501(c)(5), and 501(c)(6) organizations. Is the organization subject to the section 6033(e) notice and reporting requirement and proxy tax? If "Yes," complete Schedule C, Part III	☐	☒
6 Did the organization maintain any donor advised funds or any similar funds or accounts where donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? If "Yes," complete Schedule D, Part I	☐	☒
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? If "Yes," complete Schedule D, Part II	☐	☒
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? If "Yes," complete Schedule D, Part III	☐	☒
9 Did the organization report an amount in Part X, line 21; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? If "Yes," complete Schedule D, Part IV	☐	☒
10 Did the organization, directly or through a related organization, hold assets in term, permanent, or quasi-endowments? If "Yes," complete Schedule D, Part V	☐	☒
11 Is the organization's answer to any of the following questions "Yes"? If so, complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable	☒	☐
• Did the organization report an amount for land, buildings, and equipment in Part X, line 10? If "Yes," complete Schedule D, Part VI.	☐	☐
• Did the organization report an amount for investments—other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VII.	☐	☐
• Did the organization report an amount for investments—program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part VIII.	☐	☐
• Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? If "Yes," complete Schedule D, Part IX.	☐	☐
• Did the organization report an amount for other liabilities in Part X, line 25? If "Yes," complete Schedule D, Part X.	☐	☐
• Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48? If "Yes," complete Schedule D, Part X.	☐	☐
12 Did the organization obtain separate, independent audited financial statements for the tax year? If "Yes," complete Schedule D, Parts XI, XII, and XIII	☒	☐
12A Was the organization included in consolidated, independent audited financial statements for the tax year? If "Yes," completing Schedule D, Parts XI, XII, and XIII is optional.	☐	☒
13 Is the organization a school described in section 170(b)(1)(A)(ii)? If "Yes," complete Schedule E	☐	☒
14a Did the organization maintain an office, employees, or agents outside of the United States?	☐	☒
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, and program service activities outside the United States? If "Yes," complete Schedule F, Part I	☐	☒
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? If "Yes," complete Schedule F, Part II	☐	☒
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? If "Yes," complete Schedule F, Part III	☐	☒
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? If "Yes," complete Schedule G, Part I	☐	☒
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? If "Yes," complete Schedule G, Part II	☐	☒
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? If "Yes," complete Schedule G, Part III	☐	☒
20 Did the organization operate one or more hospitals? If "Yes," complete Schedule H	☐	☒

Part IV Checklist of Required Schedules (continued)

	Yes	No
21 Did the organization report more than \$5,000 of grants and other assistance to governments and organizations in the United States on Part IX, column (A), line 1? <i>If "Yes," complete Schedule I, Parts I and II.</i>	☒	☐
22 Did the organization report more than \$5,000 of grants and other assistance to individuals in the United States on Part IX, column (A), line 2? <i>If "Yes," complete Schedule I, Parts I and III.</i>	☐	☒
23 Did the organization answer "Yes" to Part VII, Section A, line 3, 4, or 5 about compensation of the organization's current and former officers, directors, trustees, key employees, and highest compensated employees? <i>If "Yes," complete Schedule J.</i>	☐	☒
24a Did the organization have a tax-exempt bond issue with an outstanding principal amount of more than \$100,000 as of the last day of the year, that was issued after December 31, 2002? <i>If "Yes," answer lines 24b through 24d and complete Schedule K. If "No," go to line 25.</i>	☐	☒
24b Did the organization invest any proceeds of tax-exempt bonds beyond a temporary period exception?	☐	☒
24c Did the organization maintain an escrow account other than a refunding escrow at any time during the year to defease any tax-exempt bonds?	☐	☒
24d Did the organization act as an "on behalf of" issuer for bonds outstanding at any time during the year?	☐	☒
25a Section 501(c)(3) and 501(c)(4) organizations. Did the organization engage in an excess benefit transaction with a disqualified person during the year? <i>If "Yes," complete Schedule L, Part I.</i>	☐	☒
25b Is the organization aware that it engaged in an excess benefit transaction with a disqualified person in a prior year, and that the transaction has not been reported on any of the organization's prior Forms 990 or 990-EZ? <i>If "Yes," complete Schedule L, Part I.</i>	☐	☒
26 Was a loan to or by a current or former officer, director, trustee, key employee, highly compensated employee, or disqualified person outstanding as of the end of the organization's tax year? <i>If "Yes," complete Schedule L, Part II.</i>	☐	☒
27 Did the organization provide a grant or other assistance to an officer, director, trustee, key employee, substantial contributor, or a grant selection committee member, or to a person related to such an individual? <i>If "Yes," complete Schedule L, Part III.</i>	☐	☒
28 Was the organization a party to a business transaction with one of the following parties (see Schedule L, Part IV instructions for applicable filing thresholds, conditions, and exceptions).	☐	☐
28a A current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>	☐	☒
28b A family member of a current or former officer, director, trustee, or key employee? <i>If "Yes," complete Schedule L, Part IV.</i>	☐	☒
28c An entity of which a current or former officer, director, trustee, or key employee of the organization (or a family member) was an officer, director, trustee, or direct or indirect owner? <i>If "Yes," complete Schedule L, Part IV.</i>	☐	☒
29 Did the organization receive more than \$25,000 in non-cash contributions? <i>If "Yes," complete Schedule M.</i>	☐	☒
30 Did the organization receive contributions of art, historical treasures, or other similar assets, or qualified conservation contributions? <i>If "Yes," complete Schedule M.</i>	☐	☒
31 Did the organization liquidate, terminate, or dissolve and cease operations? <i>If "Yes," complete Schedule N, Part I.</i>	☐	☒
32 Did the organization sell, exchange, dispose of, or transfer more than 25% of its net assets? <i>If "Yes," complete Schedule N, Part II.</i>	☐	☒
33 Did the organization own 100% of an entity disregarded as separate from the organization under Regulations sections 301.7701-2 and 301.7701-3? <i>If "Yes," complete Schedule R, Part I.</i>	☐	☒
34 Was the organization related to any tax-exempt or taxable entity? <i>If "Yes," complete Schedule R, Parts II, III, IV, and V, line 1.</i>	☐	☒
35 Is any related organization a controlled entity within the meaning of section 512(b)(13)? <i>If "Yes," complete Schedule R, Part V, line 2.</i>	☐	☒
36 Section 501(c)(3) organizations. Did the organization make any transfers to an exempt non-charitable related organization? <i>If "Yes," complete Schedule R, Part V, line 2.</i>	☐	☒
37 Did the organization conduct more than 5% of its activities through an entity that is not a related organization and that is treated as a partnership for federal income tax purposes? <i>If "Yes," complete Schedule R, Part VI.</i>	☐	☒
38 Did the organization complete Schedule O and provide explanations in Schedule O for Part VI, lines 11 and 19? Note. All Form 990 filers are required to complete Schedule O.	☒	☐

Part V Statements Regarding Other IRS Filings and Tax Compliance

		Yes	No
1a	Enter the number reported in Box 3 of Form 1096, Annual Summary and Transmittal of U.S. Information Returns. Enter -0- if not applicable	1a	0
b	Enter the number of Forms W-2G included in line 1a. Enter -0- if not applicable	1b	0
c	Did the organization comply with backup withholding rules for reportable payments to vendors and reportable gaming (gambling) winnings to prize winners?	1c	✓
2a	Enter the number of employees reported on Form W-3, Transmittal of Wage and Tax Statements, filed for the calendar year ending with or within the year covered by this return	2a	5
b	If at least one is reported on line 2a, did the organization file all required federal employment tax returns? Note. If the sum of lines 1a and 2a is greater than 250, you may be required to e-file this return (see instructions)	2b	✓
3a	Did the organization have unrelated business gross income of \$1,000 or more during the year covered by this return?	3a	✓
b	If "Yes," has it filed a Form 990-T for this year? If "No," provide an explanation in Schedule O	3b	
4a	At any time during the calendar year, did the organization have an interest in, or a signature or other authority over, a financial account in a foreign country (such as a bank account, securities account, or other financial account)?	4a	✓
b	If "Yes," enter the name of the foreign country: ► See the instructions for exceptions and filing requirements for Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.		
5a	Was the organization a party to a prohibited tax shelter transaction at any time during the tax year?	5a	✓
b	Did any taxable party notify the organization that it was or is a party to a prohibited tax shelter transaction?	5b	✓
c	If "Yes" to line 5a or 5b, did the organization file Form 8886-T, Disclosure by Tax-Exempt Entity Regarding Prohibited Tax Shelter Transaction?	5c	
6a	Does the organization have annual gross receipts that are normally greater than \$100,000, and did the organization solicit any contributions that were not tax deductible?	6a	✓
b	If "Yes," did the organization include with every solicitation an express statement that such contributions or gifts were not tax deductible?	6b	
7	Organizations that may receive deductible contributions under section 170(c).		
a	Did the organization receive a payment in excess of \$75 made partly as a contribution and partly for goods and services provided to the payor?	7a	✓
b	If "Yes," did the organization notify the donor of the value of the goods or services provided?	7b	
c	Did the organization sell, exchange, or otherwise dispose of tangible personal property for which it was required to file Form 8282?	7c	✓
d	If "Yes," indicate the number of Forms 8282 filed during the year	7d	
e	Did the organization, during the year, receive any funds, directly or indirectly, to pay premiums on a personal benefit contract?	7e	✓
f	Did the organization, during the year, pay premiums, directly or indirectly, on a personal benefit contract?	7f	✓
g	For all contributions of qualified intellectual property, did the organization file Form 8899 as required?	7g	
h	For contributions of cars, boats, airplanes, and other vehicles, did the organization file a Form 1098-C as required?	7h	
8	Sponsoring organizations maintaining donor advised funds and section 509(a)(3) supporting organizations. Did the supporting organization, or a donor advised fund maintained by a sponsoring organization, have excess business holdings at any time during the year?	8	✓
9	Sponsoring organizations maintaining donor advised funds.		
a	Did the organization make any taxable distributions under section 4966?	9a	✓
b	Did the organization make a distribution to a donor, donor advisor, or related person?	9b	✓
10	Section 501(c)(7) organizations. Enter:		
a	Initiation fees and capital contributions included on Part VIII, line 12.	10a	
b	Gross receipts, included on Form 990, Part VIII, line 12, for public use of club facilities	10b	
11	Section 501(c)(12) organizations. Enter:		
a	Gross income from members or shareholders	11a	
b	Gross income from other sources (Do not net amounts due or paid to other sources against amounts due or received from them.)	11b	
12a	Section 4947(a)(1) non-exempt charitable trusts. Is the organization filing Form 990 in lieu of Form 1041?	12a	
b	If "Yes," enter the amount of tax-exempt interest received or accrued during the year.	12b	

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Section A. Governing Body and Management

	Yes	No
1a Enter the number of voting members of the governing body	1a	18
b Enter the number of voting members that are independent	1b	18
2 Did any officer, director, trustee, or key employee have a family relationship or a business relationship with any other officer, director, trustee, or key employee?	2	✓
3 Did the organization delegate control over management duties customarily performed by or under the direct supervision of officers, directors or trustees, or key employees to a management company or other person?	3	✓
4 Did the organization make any significant changes to its organizational documents since the prior Form 990 was filed?	4	✓
5 Did the organization become aware during the year of a material diversion of the organization's assets?	5	✓
6 Does the organization have members or stockholders?	6	✓
7a Does the organization have members, stockholders, or other persons who may elect one or more members of the governing body?	7a	✓
b Are any decisions of the governing body subject to approval by members, stockholders, or other persons?	7b	✓
8 Did the organization contemporaneously document the meetings held or written actions undertaken during the year by the following:		
a The governing body?	8a	✓
b Each committee with authority to act on behalf of the governing body?	8b	✓
9 Is there any officer, director, trustee, or key employee listed in Part VII, Section A, who cannot be reached at the organization's mailing address? If "Yes," provide the names and addresses in Schedule O	9a	✓

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

	Yes	No
10a Does the organization have local chapters, branches, or affiliates?	10a	✓
b If "Yes," does the organization have written policies and procedures governing the activities of such chapters, affiliates, and branches to ensure their operations are consistent with those of the organization?	10b	
11 Has the organization provided a copy of this Form 990 to all members of its governing body before filing the form?	11	✓
11A Describe in Schedule O the process, if any, used by the organization to review this Form 990.		
12a Does the organization have a written conflict of interest policy? If "No," go to line 13	12a	✓
b Are officers, directors or trustees, and key employees required to disclose annually interests that could give rise to conflicts?	12b	✓
c Does the organization regularly and consistently monitor and enforce compliance with the policy? If "Yes," describe in Schedule O how this is done	12c	✓
13 Does the organization have a written whistleblower policy?	13	✓
14 Does the organization have a written document retention and destruction policy?	14	✓
15 Did the process for determining compensation of the following persons include a review and approval by independent persons, comparability data, and contemporaneous substantiation of the deliberation and decision?		
a The organization's CEO, Executive Director, or top management official	15a	✓
b Other officers or key employees of the organization	15b	✓
If "Yes" to line 15a or 15b, describe the process in Schedule O. (See instructions.)		
16a Did the organization invest in, contribute assets to, or participate in a joint venture or similar arrangement with a taxable entity during the year?	16a	✓
b If "Yes," has the organization adopted a written policy or procedure requiring the organization to evaluate its participation in joint venture arrangements under applicable federal tax law, and taken steps to safeguard the organization's exempt status with respect to such arrangements?	16b	

Section C. Disclosure

17 List the states with which a copy of this Form 990 is required to be filed ► **Pennsylvania**

18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (501(c)(3)s only) available for public inspection. Indicate how you make these available. Check all that apply.
☐ Own website ☐ Another's website ☒ Upon request

19 Describe in Schedule O whether (and if so, how), the organization makes its governing documents, conflict of interest policy, and financial statements available to the public.

20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ► **Robin Haydt 2200 Avenue A, Suite 102, Bethlehem, PA 18017 (610)882-1119**

Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors
Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year. Use Schedule J-2 if additional space is needed.

- List all of the organization's **current** officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.

- List all of the organization's **current** key employees. See instructions for definition of "key employee."

- List the organization's five **current** highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.

- List all of the organization's **former** officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.

- List all of the organization's **former directors or trustees** that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

☐ Check this box if the organization did not compensate any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Karen Smoyer, board Chairperson	.5	✓		✓				0	0	0
Karen Hicks, board Vice-Chairperson	.5	✓		✓				0	0	0
Claudia Stemler, board Treasurer	.5	✓		✓				0	0	0
Ann Stuart Thacker, Executive Director	35				✓	✓		76,041	0	0
Lester R. Bahr, Director	.5	✓						0	0	0
Evelyn Overstreet, Director	.5	✓						0	0	0
Dr. Judith Lasker, Director	.5	✓						0	0	0
Lawrence J. Regneth, Director	.5	✓						0	0	0
Greg Reppert, Director	.5	✓						0	0	0
Elaine Rodriguez, Director	.5	✓						0	0	0
Michael A Stellato, Director	.5	✓						0	0	0
Daniel Angelis, Director	.5	✓						0	0	0
Danielle Cassidy, Director	.5	✓						0	0	0
Sarah Chirau, Director	.5	✓						0	0	0
Nancy Cortes, Director	.5	✓						0	0	0
Lizabeth Fox, Director	.5	✓						0	0	0

Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)

(A) Name and title	(B) Average hours per week	(C) Position (check all that apply)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
Bryan D. Jow, Director	.5	☒						0	0	0
Alexandra Milspaw, Director	.5	☒						0	0	0
Holona LeAnne Ochs, Director	.5	☒						0	0	0
1b Total								76,041	0	0

2 Total number of individuals (including but not limited to those listed above) who received more than \$100,000 in reportable compensation from the organization **0**

- 3** Did the organization list any **former** officer, director or trustee, key employee, or highest compensated employee on line 1a? If "Yes," complete Schedule J for such individual
- 4** For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? If "Yes," complete Schedule J for such individual.
- 5** Did any person listed on line 1a receive or accrue compensation from any unrelated organization for services rendered to the organization? If "Yes," complete Schedule J for such person

	Yes	No
3		☒
4		☒
5		☒

Section B. Independent Contractors

1 Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization.

(A) Name and business address	(B) Description of services	(C) Compensation
2 Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization 0		

Part VIII Statement of Revenue				(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514
Contributions, gifts, grants and other similar amounts	1a Federated campaigns	1a		2,272,872			
	b Membership dues	1b					
	c Fundraising events	1c					
	d Related organizations	1d					
	e Government grants (contributions).	1e	2,268,751				
	f All other contributions, gifts, grants, and similar amounts not included above	1f	4,121				
	g Noncash contributions included in lines 1a-1f: \$						
	h Total. Add lines 1a-1f						
Program Service Revenue	Business Code						
	2a						
	b						
	c						
	d						
	e						
	f All other program service revenue						
	g Total. Add lines 2a-2f						
Other Revenue	3 Investment income (including dividends, interest, and other similar amounts)		229				
	4 Income from investment of tax-exempt bond proceeds						
	5 Royalties						
	6a Gross Rents	(i) Real	(ii) Personal				
	b Less: rental expenses						
	c Rental income or (loss)						
	d Net rental income or (loss)						
	7a Gross amount from sales of assets other than inventory	(i) Securities	(ii) Other				
	b Less: cost or other basis and sales expenses						
	c Gain or (loss)						
	d Net gain or (loss)						
	8a Gross income from fundraising events (not including \$ of contributions reported on line 1c). See Part IV, line 18	a					
	b Less: direct expenses	b					
	c Net income or (loss) from fundraising events						
	9a Gross income from gaming activities. See Part IV, line 19	a					
	b Less: direct expenses	b					
	c Net income or (loss) from gaming activities						
	10a Gross sales of inventory, less returns and allowances	a					
	b Less: cost of goods sold	b					
	c Net income or (loss) from sales of inventory						
Miscellaneous Revenue		Business Code					
11a							
b							
c							
d All other revenue							
e Total. Add lines 11a-11d							
12 Total revenue. See instructions.			2,273,101				

Part IX Statement of Functional Expenses

Section 501(c)(3) and 501(c)(4) organizations must complete all columns.

All other organizations must complete column (A) but are not required to complete columns (B), (C), and (D).

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.		(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1	Grants and other assistance to governments and organizations in the U.S. See Part IV, line 21	1,884,789	1,884,789		
2	Grants and other assistance to individuals in the U.S. See Part IV, line 22				
3	Grants and other assistance to governments, organizations, and individuals outside the U.S. See Part IV, lines 15 and 16				
4	Benefits paid to or for members				
5	Compensation of current officers, directors, trustees, and key employees	76,041	76,041		
6	Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B)				
7	Other salaries and wages	182,617	182,617		
8	Pension plan contributions (include section 401(k) and section 403(b) employer contributions)	11,642	11,642		
9	Other employee benefits	32,514	30,649	1,865	
10	Payroll taxes	19,787	19,787		
11	Fees for services (non-employees):				
a	Management				
b	Legal				
c	Accounting	5,158	5,158		
d	Lobbying				
e	Professional fundraising services. See Part IV, line 17				
f	Investment management fees	168		168	
g	Other				
12	Advertising and promotion				
13	Office expenses	10,625	10,204	421	
14	Information technology	1,898	1,898		
15	Royalties				
16	Occupancy	23,405	22,655	750	
17	Travel	6,029	6,027	2	
18	Payments of travel or entertainment expenses for any federal, state, or local public officials				
19	Conferences, conventions, and meetings	8,154	6,701	1,453	
20	Interest	118		118	
21	Payments to affiliates				
22	Depreciation, depletion, and amortization	2,256		2,256	
23	Insurance	3,559	3,559		
24	Other expenses. Itemize expenses not covered above. (Expenses grouped together and labeled miscellaneous may not exceed 5% of total expenses shown on line 25 below)				
a	Staff development	1,029	1,029		
b	Memberships and Dues	1,035	1,035		
c					
d					
e					
f	All other expenses				
25	Total functional expenses. Add lines 1 through 24f	2,270,824	2,263,791	7,033	
26	Joint costs. Check here ☐ if following SOP 98-2. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation				

Part X Balance Sheet

		(A) Beginning of year		(B) End of year
Assets	1 Cash—non-interest-bearing	408,719	1	72,853
	2 Savings and temporary cash investments		2	
	3 Pledges and grants receivable, net		3	
	4 Accounts receivable, net	202,496	4	220,978
	5 Receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L		5	
	6 Receivables from other disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B). Complete Part II of Schedule L		6	
	7 Notes and loans receivable, net		7	
	8 Inventories for sale or use		8	
	9 Prepaid expenses and deferred charges	5,841	9	5,862
	10a Land, buildings, and equipment, cost or other basis. Complete Part VI of Schedule D	10a 110,553		
	b Less: accumulated depreciation	10b 102,988	4,861	10c 7,565
	11 Investments—publicly traded securities		11	
	12 Investments—other securities. See Part IV, line 11		12	
	13 Investments—program-related. See Part IV, line 11		13	
	14 Intangible assets		14	
	15 Other assets. See Part IV, line 11		15	
16 Total assets. Add lines 1 through 15 (must equal line 34)	621,917	16	307,258	
Liabilities	17 Accounts payable and accrued expenses	546,497	17	229,561
	18 Grants payable		18	
	19 Deferred revenue		19	
	20 Tax-exempt bond liabilities		20	
	21 Escrow or custodial account liability. Complete Part IV of Schedule D		21	
	22 Payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L		22	
	23 Secured mortgages and notes payable to unrelated third parties		23	
	24 Unsecured notes and loans payable to unrelated third parties		24	
	25 Other liabilities. Complete Part X of Schedule D		25	
	26 Total liabilities. Add lines 17 through 25	546,497	26	229,561
Net Assets or Fund Balances	Organizations that follow SFAS 117, check here ☒ and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	74,302	27	76,132
	28 Temporarily restricted net assets	1,118	28	1,565
	29 Permanently restricted net assets		29	
	Organizations that do not follow SFAS 117, check here ☐ and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
	33 Total net assets or fund balances		33	
	34 Total liabilities and net assets/fund balances	621,917	34	307,258

Part XI Financial Statements and Reporting

- 1** Accounting method used to prepare the Form 990: ☐ Cash ☒ Accrual ☐ Other _____
If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a** Were the organization's financial statements compiled or reviewed by an independent accountant? . . .
- b** Were the organization's financial statements audited by an independent accountant? . . .
- c** If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? . . .
If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- d** If "Yes" to line 2a or 2b, check a box below to indicate whether the financial statements for the year were issued on a consolidated basis, separate basis, or both.
☐ Separate basis ☒ Consolidated basis ☐ Both consolidated and separate basis
- 3a** As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . .
- b** If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits.

	Yes	No
2a		✓
2b	✓	
2c	✓	
3a	✓	
3b	✓	

Department of the Treasury
Internal Revenue Service

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Open to Public Inspection

2755276

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi)
 (Complete only if you checked the box on line 5, 7, or 8 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")	2,007,948	1,950,416	2,045,050	2,195,746	2,272,872	10,472,032
2 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
3 The value of services or facilities furnished by a governmental unit to the organization without charge						
4 Total. Add lines 1 through 3	2,007,948	1,950,416	2,045,050	2,195,746	2,272,872	10,472,032
5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f)						
6 Public support. Subtract line 5 from line 4.						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
7 Amounts from line 4	2,007,948	1,950,416	2,045,050	2,195,746	2,272,872	10,472,032
8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources	1,052	1,259	959	350	229	3,849
9 Net income from unrelated business activities, whether or not the business is regularly carried on						
10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
11 Total support. Add lines 7 through 10						10,475,881
12 Gross receipts from related activities, etc. (see instructions)					12	0
13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ☐						

Section C. Computation of Public Support Percentage

14 Public support percentage for 2009 (line 6, column (f) divided by line 11, column (f))	14	100 %
15 Public support percentage from 2008 Schedule A, Part II, line 14	15	100 %
16a 33⅓% support test—2009. If the organization did not check the box on line 13, and line 14 is 33⅓% or more, check this box and stop here. The organization qualifies as a publicly supported organization ☒		
b 33⅓% support test—2008. If the organization did not check a box on line 13 or 16a, and line 15 is 33⅓% or more, check this box and stop here. The organization qualifies as a publicly supported organization ☐		
17a 10%-facts-and-circumstances test—2009. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ☐		
b 10%-facts-and-circumstances test—2008. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization ☐		
18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions ► ☐		

Part III Support Schedule for Organizations Described in Section 509(a)(2)
(Complete only if you checked the box on line 9 of Part I.)

Section A. Public Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose						
3 Gross receipts from activities that are not an unrelated trade or business under section 513						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf						
5 The value of services or facilities furnished by a governmental unit to the organization without charge						
6 Total. Add lines 1 through 5						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year						
c Add lines 7a and 7b						
8 Public support (Subtract line 7c from line 6.)						

Section B. Total Support

Calendar year (or fiscal year beginning in) ►	(a) 2005	(b) 2006	(c) 2007	(d) 2008	(e) 2009	(f) Total
9 Amounts from line 6						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975						
c Add lines 10a and 10b						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.)						
13 Total support. (Add lines 9, 10c, 11, and 12.)						
14 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here ☐						

Section C. Computation of Public Support Percentage

15 Public support percentage for 2009 (line 8, column (f) divided by line 13, column (f))	15	%
16 Public support percentage from 2008 Schedule A, Part III, line 15	16	%

Section D. Computation of Investment Income Percentage

17 Investment income percentage for 2009 (line 10c, column (f) divided by line 13, column (f))	17	%
18 Investment income percentage from 2008 Schedule A, Part III, line 17	18	%

- 19a 33 1/3 % support tests—2009.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3 %, and line 17 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐
- b 33 1/3 % support tests—2008.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3 %, and line 18 is not more than 33 1/3 %, check this box and **stop here**. The organization qualifies as a publicly supported organization ► ☐
- 20 Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions ► ☐

Part IV **Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Provide any other additional information. See instructions.

[illegible]

**SCHEDULE D
(Form 990)**

Department of the Treasury
Internal Revenue Service

Supplemental Financial Statements

► Complete if the organization answered "Yes," to Form 990,
Part IV, line 6, 7, 8, 9, 10, 11, or 12.

► Attach to Form 990. ► See separate instructions.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Name of the organization
AIDSNET

Employer identification number
23 : 2755276

Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts. Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year		
2 Aggregate contributions to (during year)		
3 Aggregate grants from (during year)		
4 Aggregate value at end of year		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control?		☐ Yes ☐ No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit?		☐ Yes ☐ No

Part II Conservation Easements. Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

☐ Preservation of land for public use (e.g., recreation or pleasure) ☐ Preservation of an historically important land area

☐ Protection of natural habitat ☐ Preservation of a certified historic structure

☐ Preservation of open space

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements	2a
b Total acreage restricted by conservation easements	2b
c Number of conservation easements on a certified historic structure included in (a)	2c
d Number of conservation easements included in (c) acquired after 8/17/06	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ►

4 Number of states where property subject to conservation easement is located ►

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? ☐ Yes ☐ No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ►

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ► \$

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B)(i) and section 170(h)(4)(B)(ii)? ☐ Yes ☐ No

9 In Part XIV, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets. Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

1a If the organization elected, as permitted under SFAS 116, not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIV, the text of the footnote to its financial statements that describes these items.

b If the organization elected, as permitted under SFAS 116, to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:

(i) Revenues included in Form 990, Part VIII, line 1 ► \$

(ii) Assets included in Form 990, Part X ► \$

2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 relating to these items:

a Revenues included in Form 990, Part VIII, line 1 ► \$

b Assets included in Form 990, Part X ► \$

Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)

- 3** Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a** ☐ Public exhibition **d** ☐ Loan or exchange programs
- b** ☐ Scholarly research **e** ☐ Other
- c** ☐ Preservation for future generations
- 4** Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIV.
- 5** During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? ☐ Yes ☐ No

Part IV Escrow and Custodial Arrangements. Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a** Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? ☐ Yes ☐ No
- b** If "Yes," explain the arrangement in Part XIV and complete the following table:

	Amount
1c Beginning balance	
1d Additions during the year	
1e Distributions during the year	
1f Ending balance	

- 2a** Did the organization include an amount on Form 990, Part X, line 21? ☐ Yes ☐ No
- b** If "Yes," explain the arrangement in Part XIV.

Part V Endowment Funds. Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance					
b Contributions					
c Net investment earnings, gains, and losses					
d Grants or scholarships					
e Other expenditures for facilities and programs					
f Administrative expenses					
g End of year balance					

- 2** Provide the estimated percentage of the year end balance held as:

- a** Board designated or quasi-endowment ▶ %
- b** Permanent endowment ▶ %
- c** Term endowment ▶ %

- 3a** Are there endowment funds not in the possession of the organization that are held and administered for the organization by:

(i) unrelated organizations

(ii) related organizations

- b** If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R?

- 4** Describe in Part XIV the intended uses of the organization's endowment funds.

	Yes	No
3a(i)		
3a(ii)		
3b		

Part VI Investments—Land, Buildings, and Equipment. See Form 990, Part X, line 10.

Description of investment	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land				
b Buildings				
c Leasehold improvements				
d Equipment		110,553	102,988	5,862
e Other				

Total. Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) ▶

Part VII Investments—Other Securities. See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Financial derivatives		
Closely-held equity interests		
Other		
Total. (Column (b) must equal Form 990, Part X, col. (B) line 12.) ►		

Part VIII Investments—Program Related. See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation Cost or end-of-year market value
Total. (Column (b) must equal Form 990, Part X, col. (B) line 13.) ►		

Part IX Other Assets. See Form 990, Part X, line 15.

(a) Description	(b) Book value
Total. (Column (b) must equal Form 990, Part X, col. (B) line 15.) ►	

Part X Other Liabilities. See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Amount
Federal income taxes	
Total. (Column (b) must equal Form 990, Part X, col. (B) line 25.) ►	

2. FIN 48 Footnote. In Part XIV, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48.

Part XI Reconciliation of Change in Net Assets from Form 990 to Audited Financial Statements

1	Total revenue (Form 990, Part VIII, column (A), line 12)	1	2,273,101
2	Total expenses (Form 990, Part IX, column (A), line 25)	2	2,270,824
3	Excess or (deficit) for the year. Subtract line 2 from line 1	3	2,277
4	Net unrealized gains (losses) on investments	4	0
5	Donated services and use of facilities	5	0
6	Investment expenses	6	0
7	Prior period adjustments	7	0
8	Other (Describe in Part XIV.)	8	0
9	Total adjustments (net). Add lines 4 through 8	9	0
10	Excess or (deficit) for the year per audited financial statements. Combine lines 3 and 9	10	2,277

Part XII Reconciliation of Revenue per Audited Financial Statements With Revenue per Return

1	Total revenue, gains, and other support per audited financial statements	1	2,273,101
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:		
a	Net unrealized gains on investments	2a	0
b	Donated services and use of facilities	2b	0
c	Recoveries of prior year grants	2c	0
d	Other (Describe in Part XIV.)	2d	0
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	2,273,101
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0
b	Other (Describe in Part XIV.)	4b	0
c	Add lines 4a and 4b	4c	0
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)	5	2,273,101

Part XIII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return

1	Total expenses and losses per audited financial statements	1	2,270,824
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:		
a	Donated services and use of facilities	2a	0
b	Prior year adjustments	2b	0
c	Other losses	2c	0
d	Other (Describe in Part XIV.)	2d	0
e	Add lines 2a through 2d	2e	0
3	Subtract line 2e from line 1	3	2,270,824
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:		
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a	0
b	Other (Describe in Part XIV.)	4b	0
c	Add lines 4a and 4b	4c	0
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)	5	2,272,824

Part XIV Supplemental Information

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4, Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, line 8; Part XII, lines 2d and 4b; and Part XIII, lines 2d and 4b. Also complete this part to provide any additional information.

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Part XIV Supplemental Information *(continued)*

Area for supplemental information with horizontal dotted lines.

Department of the Treasury
Internal Revenue Service

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.

► **Attach to Form 990.**

Name of the organization

Employer Identification number

AIDSNET

Part I General Information on Grants and Assistance

- 1** Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?
- 2** Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.

Part II Grants and Other Assistance to Governments and Organizations in the United States. Complete if the organization answered "Yes" to

Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Check this box if no one recipient received more than \$5,000. Use Part IV and Schedule I-1 (Form 990) if additional space is needed.

1 (a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraisal, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
AIDS Activities Office of the Lehigh Valley Hospital 17th & Chew Streets, Allentown, PA 18101	23-1689692		645,413				HIV care and Prevention
AIDS Services Center at St Lukes Hospital 641 E. Broad Street, Bethlehem, PA 18018	23-1352213		382,104				HIV care and Prevention
Co-County Wellness Services 429 Walnut Street, P O. Box 8626 Carbon-Monroe-Pike Drug & Alcohol Treatment Center, Stroudsburg, PA 18356	23-2657264		618,876				HIV care and Prevention
724A Phillips Street, Stroudsburg, PA 18356	23-2389101		132,988				HIV care and Prevention
Casa Guadalupe 143 Linden Street, Allentown, PA 18101	23-1988203		11,441				HIV Prevention services
Keystone Rural Health Center 755 Norland Ave., Ste. 200, Chalfont, PA 18901	25-1546810		28,355				HIV Prevention services
Latinos for Healthy Communities 716 Chew Street, Allentown, PA, 18101	23-2143569		53,689				HIV Prevention services
The PROGRAM for Women and Families 1030 Walnut Street, Allentown, PA 18101	22-2731797		11,925				HIV Prevention services

- 2** Enter total number of section 501(c)(3) and government organizations

3 Enter total number of other organizations

**SCHEDULE O
(Form 990)**

Department of the Treasury
Internal Revenue Service

Name of the organization

AIDSNET

Supplemental Information to Form 990

Complete to provide information for responses to specific questions on
Form 990 or to provide any additional information.

► Attach to Form 990.

OMB No 1545-0047

2009

**Open to Public
Inspection**

Employer identification number

23

2755276

Part VI Section B Question 12c

The conflict of interest policy is monitored bi-monthly at full board of directors meetings. There is a standing agenda item to ask all members to disclose any changes that might be considered a conflict. Any disclosures are addressed and voted on by members of the board.

Part VI Section A Question 10

The 990 is reviewed by members of the executive committee prior to submission. Any questions or changes are made prior to its completion and submission.

Part VI Section B Question 15

AIDSNET has established a pay scale used to determine the range of pay for all employees including the Executive Director. The rate of pay per position is based on the total funding available, and surveys and studies of like positions in the same geographic area. When a new Executive Director is hired, the selection committee determines the rate of pay within the scale, based on their determination of the experience level of the new hire. Any subsequent increases are proposed by the executive committee and approved by the board of directors.

Part VI Section C Question 19

AIDSNET discloses any policies upon request. The agency prepares an annual plan which includes the by-laws.

This plan is presented to the public in an annual meeting and distributed upon request and is available on its website.

AIDSNET announces when the 990 is available for public view.

**FINANCIAL STATEMENTS AND
AUDITORS' REPORT**

AIDSNET

JUNE 30, 2010

AIDSNET
JUNE 30, 2010
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FRANCE, ANDERSON, BASILE and COMPANY, P.C.
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
AIDSNET
Bethlehem, Pennsylvania

We have audited the accompanying statements of financial position of AIDSNET (A Not-for-Profit 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the 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 AIDSNET 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 a report dated October 28, 2010, on our consideration of AIDSNET's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 audit.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements of AIDSNET taken as a whole. The accompanying schedule of expenditures of federal 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 Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects in relation to the basic financial statements taken as a whole.

France, Anderson, Basile + Company, P.C.

Emmaus, Pennsylvania
October 28, 2010

AIDSNET
STATEMENTS OF FINANCIAL POSITION

	June 30,	
	2010	2009
ASSETS		
<u>Current Assets</u>		
Cash and Cash Equivalents	\$ 72,853	\$ 408,719
Grants Receivable	220,978	202,496
Prepaid Expenses & Deposits	5,862	5,841
TOTAL CURRENT ASSETS	299,693	617,056
Property and Equipment (Net of Accumulated Depreciation)	7,565	4,861
TOTAL ASSETS	\$ 307,258	\$ 621,917
LIABILITIES & NET ASSETS		
<u>Current Liabilities</u>		
Accounts Payable	\$ 224,345	\$ 540,918
Accrued Expenses	5,216	5,579
TOTAL CURRENT LIABILITIES	229,561	546,497
TOTAL LIABILITIES	229,561	546,497
<u>Net Assets</u>		
Unrestricted:		
Undesignated	68,567	69,441
Equity in Property and Equipment	7,565	4,861
Total Unrestricted Net Assets	76,132	74,302
Temporarily Restricted	1,565	1,118
TOTAL NET ASSETS	77,697	75,420
TOTAL LIABILITIES AND NET ASSETS	\$ 307,258	\$ 621,917

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

AIDSNET
STATEMENTS OF ACTIVITIES

	Year Ended June 30, 2010			Year Ended June 30, 2009		
	Unrestricted	Temporarily Restricted	Total June 30, 2010	Unrestricted	Temporarily Restricted	Total June 30, 2009
<u>Public Support and Revenue</u>						
Federal grants	\$ 1,713,050	\$ -	\$ 1,713,050	\$ 1,560,329	\$ -	\$ 1,560,329
State grants	555,701	-	555,701	632,043	-	632,043
Contributions	2,221	1,900	4,121	3,024	-	3,024
Interest income	229	-	229	350	-	350
Net assets released from restrictions	1,453	(1,453)	-	250	(250)	-
Total Public Support and Revenue	2,272,654	447	2,273,101	2,195,996	(250)	2,195,746
<u>Expenses</u>						
Program:						
HOPWA	471,997	-	471,997	459,691	-	459,691
Part B - Ryan White	1,117,838	-	1,117,838	1,097,896	-	1,097,896
Part B - Ryan White QM	119,553	-	119,553	-	-	-
State 656	554,403	-	554,403	631,465	-	631,465
Total Program Expenses	2,263,791	-	2,263,791	2,189,052	-	2,189,052
Supporting services:						
Management and general	7,033	-	7,033	2,921	-	2,921
Total Expenses	2,270,824	-	2,270,824	2,191,973	-	2,191,973
Change in Net Assets	1,830	447	2,277	4,023	(250)	3,773
Net Assets at Beginning of Year	74,302	1,118	75,420	70,279	1,368	71,647
Net Assets at End of Year	\$ 76,132	\$ 1,565	\$ 77,697	\$ 74,302	\$ 1,118	\$ 75,420

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

AIDSNET
STATEMENTS OF CASH FLOWS

	<u>Years Ended June 30,</u>	
	<u>2010</u>	<u>2009</u>
<u>Cash Flows from Operating Activities</u>		
CHANGE IN NET ASSETS	\$ 2,277	\$ 3,773
Adjustments to Reconcile Change in Net Assets to Net Cash from Operating Activities:		
Depreciation and Amortization	2,256	2,361
(Increase) Decrease in Grants Receivable	(18,482)	(24,715)
(Increase) Decrease in Prepaid Expenses and Deposits	(21)	(3,380)
Increase (Decrease) in Accounts Payable	(316,573)	355,259
Increase (Decrease) in Other Liabilities	(363)	(3,840)
Net Cash Provided by (Used by) Operating Activities	<u>(330,906)</u>	<u>329,458</u>
<u>Cash Flows from Investing Activities</u>		
Capital Purchases	<u>(4,960)</u>	<u>(3,319)</u>
Net Cash Used by Investing Activities	<u>(4,960)</u>	<u>(3,319)</u>
<u>Cash Flows from Financing Activities</u>		
Net Borrowings on Line of Credit	<u>-</u>	<u>-</u>
Net Cash Provided by Financing Activities	<u>-</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(335,866)	326,139
Cash and Cash Equivalents at Beginning of Year	<u>408,719</u>	<u>82,580</u>
Cash and Cash Equivalents at End of Year	<u><u>\$ 72,853</u></u>	<u><u>\$ 408,719</u></u>
<u>Supplemental Disclosures of Cash Flow Information</u>		
Interest Paid During the Year	<u><u>\$ 118</u></u>	<u><u>\$ 23</u></u>

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

AIDSNET
STATEMENTS OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2010

	HOPWA	Part B Ryan White	Part B Ryan White QM	State 656	Total Program	Management & General	Total June 30, 2010
Salaries, wages and benefits	\$ 41,647	\$ 68,713	\$ 106,260	\$ 104,116	\$ 320,736	\$ -	\$ 320,736
Program services	419,226	1,033,394	-	432,169	1,884,789	-	1,884,789
Operating expenses	11,124	15,731	13,293	18,118	58,266	4,777	63,043
Depreciation	-	-	-	-	-	2,256	2,256
TOTAL EXPENSES	\$ 471,997	\$ 1,117,838	\$ 119,553	\$ 554,403	\$ 2,263,791	\$ 7,033	\$ 2,270,824

YEAR ENDED JUNE 30, 2009

	HOPWA	Part B Ryan White	Part B Ryan White QM	State 656	Total Program	Management & General	Total June 30, 2009
Salaries, wages and benefits	\$ 39,754	\$ 161,507	\$ -	\$ 107,216	\$ 308,477	\$ -	\$ 308,477
Program services	408,929	901,534	-	506,402	1,816,865	-	1,816,865
Operating expenses	11,008	34,855	-	17,847	63,710	560	64,270
Depreciation	-	-	-	-	-	2,361	2,361
TOTAL EXPENSES	\$ 459,691	\$ 1,097,896	\$ -	\$ 631,465	\$ 2,189,052	\$ 2,921	\$ 2,191,973

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

AIDSNET
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2010 and 2009

NOTE 1 Summary of Significant Accounting Policies

Nature of Activities

AIDSNET, a private, non-profit organization, is one of seven federally mandated HIV/AIDS coalitions in Pennsylvania. It was founded in 1991 on the premise that the best way to contain the HIV pandemic is through regional strategy. With an annual budget of approximately \$2 million, AIDSNET subcontracts with agencies throughout Berks, Carbon, Lehigh, Monroe, Northampton and Schuylkill counties. AIDSNET is responsible for the development of a comprehensive continuum of prevention and care services and acts as the fiscal agent for Federal Part B of the Ryan White HIV/AIDS Treatment Modernization Act and Housing Opportunities for People with AIDS (HOPWA), State 656 and other HIV/AIDS-related funding. The organization's efforts are aimed at both stopping the spread of HIV infection and providing medical and social services to those who have been infected.

Financial Statement Presentation

The Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based upon the existence or absence of donor-imposed restrictions. In addition, the Organization is required to present a statement of cash flows.

Basis of Accounting

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

Cash Equivalents

Cash equivalents consist of short-term, highly liquid investments with an initial maturity of three months or less. Fair value approximates carrying amounts.

Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. Current temporarily restricted net assets are available for consumer and prevention activities.

AIDSNET
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010 and 2009

NOTE 1 Summary of Significant Accounting Policies (Continued)

Property and Equipment

Property and equipment is stated at cost or at estimated fair value at the date of gift. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. In accordance with Pennsylvania Department of Health policies, the Organization capitalizes fixed assets with an original cost over \$ 1,000. Depreciation is provided using the straight-line method over the estimated lives of the assets, which range from three to five years.

Functional Allocation of Expenses

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

Estimates

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

Donated Materials and Services

Donated materials and equipment are reflected as contributions in the accompanying statements at their estimated values at the date of receipt. The Organization receives donated services from a variety of unpaid volunteers. No amounts have been recognized in the accompanying statement of activities because the criteria for recognition of such volunteer effort have not been satisfied.

Income Taxes

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code and therefore has made no provision for federal income taxes in the accompanying financial statements. In addition, the Organization has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a) of the Internal Revenue Code. There was no unrelated business income for the years ended June 30, 2010 and 2009, respectively.

AIDSNET
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010 and 2009

NOTE 2 Property and Equipment

Property and equipment consist of the following as of June 30, 2010 and 2009:

	<u>6/30/2010</u>	<u>6/30/2009</u>
Furniture & Equipment	\$ 100,350	\$ 95,390
Computer Software	<u>10,203</u>	<u>10,203</u>
	110,553	105,593
Less: Accumulated Depreciation	<u>102,988</u>	<u>100,732</u>
	<u>\$ 7,565</u>	<u>\$ 4,861</u>

Depreciation charged to expense was \$ 2,256 and \$ 2,361 for the years ended June 30, 2010 and 2009, respectively.

NOTE 3 Line of Credit

The Organization has an unsecured bank line of credit available up to a maximum credit limit of \$ 100,000. As of June 30, 2010 and 2009, there were no outstanding balances. Interest paid totaled \$ 118 and \$ 23 for the years ended June 30, 2010 and 2009, respectively.

NOTE 4 Leases

The Organization leases office space from the American Red Cross of the Greater Lehigh Valley. The lease term extends through September 30, 2011.

The total minimum rental commitments are as follows:

Year ended June 30,	2011	\$	23,115
	2012		5,808

NOTE 5 Concentration of Credit Risk

The Organization maintains cash balances, which may exceed federally insured limits, but it historically has not experienced any credit related losses.

AIDSNET
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010 and 2009

NOTE 6 Retirement Plan

AIDSNET offers a simplified-employee pension/individual retirement account (SEP/IRA) and a tax-deferred annuity plan (TDA) to all eligible full-time employees. AIDSNET contributes five-percent of eligible employees' salaries to the SEP/IRA. The employee pays TDA retirement contributions. AIDSNET contributed \$11,642 and \$10,131 for the years ended June 30, 2010 and 2009, respectively.

NOTE 7 Commitments and Contingencies

AIDSNET receives a substantial amount of its revenue from the Pennsylvania Department of Health. For the years ended June 30, 2010 and 2009, this represented 99% of the total revenue of the Organization. A reduction in this level of funding may have an effect on the Organization's programs and activities.

NOTE 8 Restrictions on Net Assets

Temporarily restricted net assets represent privately contributed funds restricted for consumer and prevention activities.

NOTE 9 Fair Value of Financial Instruments

Financial Instruments

The following methods and assumptions were used by the Organization in estimating its fair value disclosures for financial instruments:

- Cash, cash equivalents, and grants receivable: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.

The estimated fair values of the Organization's financial instruments as of June 30, 2010, are as follows:

	<u>June 30, 2010</u>		<u>June 30, 2009</u>	
	<u>Carrying Amount</u>	<u>Fair Value</u>	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial assets:				
Cash and cash equivalents	\$ 72,853	\$ 72,853	\$ 408,719	\$ 408,719
Grants receivable	220,978	220,978	202,496	202,496

AIDSNET
NOTES TO THE FINANCIAL STATEMENTS (Continued)
JUNE 30, 2010 and 2009

NOTE 10 Subsequent Events

Subsequent events have been evaluated through October 28, 2010, which was the date the financial statements were available to be issued.

SUPPLEMENTARY INFORMATION

AIDSNET
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-Through Grantor's Number	Program/ Award Amount	Accrued Revenue 7/1/2009	Total Received This Year	Revenue Recognized	Expenditures	Accrued Revenue 6/30/2010
<u>U. S. Department of Health & Human Services</u>								
Passed through PA Dept. of Health:								
HIV Care Formula Grants -								
Part B - Ryan White HIV/AIDS								
Treatment Modernization Act	93.917	4100038905	\$ 1,287,501	\$ 68,983	\$ 1,224,274	\$ 1,240,617	\$ 1,240,617	\$ 85,326
<u>U. S. Department of Housing & Urban Development</u>								
Passed through PA Dept. of Health:								
HOPWA	14.241	4100038905	489,814	79,813	438,434	472,432	472,432	113,811
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 1,777,315</u>	<u>\$ 148,796</u>	<u>\$ 1,662,708</u>	<u>\$ 1,713,049</u>	<u>\$ 1,713,049</u>	<u>\$ 199,137</u>

See notes to the Schedule of Expenditures of Federal Awards.

AIDSNET
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2010

NOTE 1 Summary of Significant Accounting Policies

Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of AIDSNET and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations." Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

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**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**

To the Board of Directors
AIDSNET
Bethlehem, Pennsylvania

We have audited the financial statements of AIDSNET (A Not-for-Profit Corporation) as of and for the year ended June 30, 2010, and have issued our report thereon dated October 28, 2010. 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.

Internal Control over Financial Reporting

In planning and performing our audit, we considered AIDSNET'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 AIDSNET'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of 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.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether AIDSNET'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*.

We noted certain matters that we reported to the management of AIDSNET in a separate letter dated October 28, 2010.

This report is intended solely for the information and use of the Board of Directors, management, others within AIDSNET and federal awarding agencies and pass-through entities and is not intended to be and should not be used by any one other than these specified parties.

France, Anderson, Basile & Company, P.C.

Emmaus, Pennsylvania
October 28, 2010

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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors
AIDSNET
Bethlehem, Pennsylvania

Compliance

We have audited AIDSNET's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of AIDSNET's major federal programs for the year ended June 30, 2010. AIDSNET's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of AIDSNET's management. Our responsibility is to express an opinion on AIDSNET's compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 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 AIDSNET'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. Our audit does not provide a legal determination of AIDSNET's compliance with those requirements.

In our opinion, AIDSNET complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ending June 30, 2010.

Internal Control Over Compliance

Management of AIDSNET is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered AIDSNET's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 AIDSNET'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.

Our consideration of internal control over compliance 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 compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Directors, management, others within AIDSNET, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

France, Anderson, Basile & Company, P.C.

Emmaus, Pennsylvania
October 28, 2010

AIDSNET
SCHEDULE OF FINDINGS & QUESTIONED COSTS
YEAR ENDED JUNE 30, 2010

SECTION I - SUMMARY AUDITOR'S RESULTS

Financial Statements

Type of auditors' report issued:	Unqualified
Internal control over financial reporting:	
Material weakness(es) identified?	NO
Reportable condition(s) identified	
not considered to be material weaknesses?	NONE
Noncompliance material to financial	
Statements noted?	NO

Federal Awards

Internal control over major programs:	
Material weakness(es) identified?	NO
Reportable condition(s) identified not	
considered to be material weaknesses?	NONE
Type of auditors' report issued on compliance	
For major programs:	Unqualified
Any audit findings disclosed that are required to be reported	
in accordance with Circular A-133, Section .510(a)?	NO

<u>CFDA No.</u>	<u>Name of Federal Program</u>
14.241	HOPWA
93.917	HIV Care Formula Grants

Dollar threshold used to distinguish	
between Type A and Type B programs:	<u>\$300,000</u>
Auditee qualified as a low risk auditee?	YES

AIDSNET
SCHEDULE OF FINDINGS & QUESTIONED COSTS (Continued)
YEAR ENDED JUNE 30, 2010

SECTION II - FINANCIAL STATEMENT FINDINGS

NONE

SECTION III - FEDERAL AWARD FINDINGS AND QUESTION COSTS

NONE

SUMMARY OF PRIOR AUDIT FINDINGS

NONE