

**ANNUAL REPORT - AIDS ACTION
BALTIMORE, INC. (AAB)
2006**

AAB is a non-profit, tax-exempt corporation under Section 510 (c)(3) of the Internal Revenue Code. AAB is governed by a ten member Board of Directors which is elected annually.

AIDS Action Baltimore, Inc. is dedicated to the support of people with HIV Disease. AAB raises money to support its own patient services programs, and to advocate for more efficient, and more effective treatment services and research programs for people with HIV disease.

AAB provides educational, financial and emotional support for people with HIV/AIDS in the Baltimore metropolitan area. AAB supports and manages two of the area=s major patient assistance programs. These programs provide financial assistance for housing, utilities, medicine and medical bills.

AAB advocates for more effective treatment and research programs. AAB representatives work directly with officials of the Food and Drug Administration (FDA), and the National Institutes of Health (NIH), including NIAID's AIDS Clinical Trials Group (ACTG), the Johns Hopkins University AIDS Service, the Maryland State AIDS Administration, and others as well as all leading HIV pharmaceutical companies and national community organizations.

AAB also provides publications to assist people with HIV/AIDS, their families, friends, and care providers with essential information on social services, medical care, and the latest in research developments.

AAB provides these services with two full-time employees and a group of committed volunteers. AAB's administrative expenses for 2006 totaled only 14.39% of total revenues.

**PATIENT SERVICES
INDIVIDUAL HIV/AIDS ASSISTANCE PROGRAMS**

AAB manages two major Patient Emergency Assistance Funds which provide direct, and immediate financial assistance to people with HIV/AIDS who need help. Money is provided for housing and utilities, medical care, medicine, or other non-reimbursable medical services.

Patients may apply to AAB personally or by referral. The application process is simple and flexible, designed to be tailored to individual needs and circumstances. Applications are normally acted upon and the funds provided within days of submission!

HIV/AIDS SERVICES ORGANIZATIONS ASSISTANCE PROGRAM

This is the oldest AAB financial assistance program. It provides funding for the emergency assistance to patients at hospitals and community based organizations serving the Baltimore HIV/AIDS community. AAB has given over \$75,000 to Johns Hopkins Hospital HIV/AIDS Patient Emergency Fund (B. Frank Polk Fund). AAB has supported emergency assistance funds at the University of Maryland Hospital. We have provided over \$22,000 to Pediatric and Adolescent HIV/AIDS patient service programs in the Baltimore Metropolitan area.

AAB has also provided seed money and emergency assistance to organizations such as Chase Brexton Health Services, Inc., Moveable Feast, Sisters Together and Reaching and AIDS Interfaith Residential Services.

HELPLINE 410-837-AIDS

AAB provides its own Peer Counseling Program for people at all stages of HIV infection. This assistance is particularly useful for people who have recently tested positive for HIV or are newly diagnosed with AIDS, and who need basic information on available services and direction on how to tackle the maze of government entitlement programs. Sometimes the only support necessary is a friendly ear and some guidance. For those times, peer counseling is a phone call away. For a referral on virtually any HIV-related problem, referral or concern, the AAB Helpline is available - Monday through Friday from 9 am to 5 pm.

DROP-IN CENTER AND AIDS LIBRARY

The AAB office on Eager Street in the Mount Vernon area of Baltimore City doubles as a convenient Drop-In Center for anyone interested in learning more about AAB's programs and services, or about HIV research and treatment.

AAB maintains resource information on new treatment and research for those interested in taking a proactive role in their health care.

AAB PUBLICATIONS

AAB has a unique publications program designed to provide essential information to people with HIV/AIDS, their families, care providers, social workers, and advocates.

The first and oldest of AAB's publications is the AIDS Resource Guide, Baltimore - now in its ninth edition. This is the only complete and comprehensive guide to the services vital to every person affected by HIV/AIDS in Maryland. It lists virtually every HIV information resource, and service provider, as well as essential city and state HIV/AIDS metropolitan area contact information.

Our Guide includes a primer to help people to understand their laboratory results, and

the opportunistic infections that accompany AIDS. A glossary of terms common to HIV-related disease is also provided.

AAB also publishes the AIDS Action Bulletin, our newsletter, which reports on the organization's activities as well as the latest treatment and research information. The Bulletin focuses on treatment issues; and, is designed to help people with HIV/AIDS understand the latest developments in research and evolving treatment strategies. The Bulletin helps the affected community understand how research is conducted as well as the latest advancements in clinical care.

The Bulletin also reports on major scientific advances. Coverage is broad and complete, delivered by AAB's own community correspondents. Complex medical issues are covered by community experts in the field and discussed in laymen's terms. The politics affecting AIDS-related research and treatment is also covered from a unique community perspective.

We have also recently redesigned our website in an effort to be more user friendly. We provide a compilation of articles from the best community treatment writers across the country on topics such as HIV antivirals, AIDS related cancers, medication and neurological complications, women and HIV, as well as recent issues of the AAB Bulletin.

HIV COMMUNITY FORUMS

AAB conducts free community forums for people with HIV/AIDS, their caregivers and advocates in an effort to disseminate much needed treatment information from scientific conferences and meetings. Beginning in 2006, these forums will be conducted throughout the community in a continuing effort to outreach to all communities affected by HIV.

CLINICAL RESEARCH ADVOCACY PROGRAM

Since its founding in 1986, AAB has been deeply involved in the conduct of clinical research in HIV. The ultimate answers to HIV disease will only be found through research. AAB works to make AIDS research more compassionate, safe, relevant to clinical practice, and more broadly inclusive of all people with HIV disease.

AAB's program has two goals:

The first is to expedite ethical drug development and to make new drugs available to the people that need them the most as quickly and safely as possible. The second is to help educate the affected community in the latest medical information in an effort to empower people with HIV/AIDS to discuss their medical care with their health providers.

To achieve our goals, AAB works with a variety of institutions, governmental agencies, and the pharmaceutical industry. AAB works with the Maryland State AIDS

Administration, the Baltimore City Health Department, the FDA, the NIH, and a variety of national research advocacy groups. AAB Chair, Lynda Dee, has been a member of the NIH's Office of AIDS Research Clinical Trials Review Panel and the NIH's AIDS Clinical Trial Group Executive Committee and Community Constituency Group.

Ms. Dee has also been a member of the Executive Committee of the Forum for Collaborative HIV Research, which brings together experts in cutting edge areas of HIV research. Ms. Dee was a member of the Community Liaison Sub-Committee for the 5th through the 9th Conferences on Retroviruses and Opportunistic Infections. She is a former Board member of New York's Treatment Action Group, which is a prominent international AIDS treatment advocacy organization. She was one of the first Co-Chairs of the Drug Development Committee of the AIDS Treatment Activist Coalition, a national activist organization. Ms. Dee continues to exert pressure on government and industry to study real life strategies for the use of potent HIV drugs and their long-term side effects. She continues to advocate with congress and drug companies to ensure drug safety, as well as expedited and ethical development of new HIV drugs.

Ms. Dee also serves on the Maryland AIDS Drug Assistance Program Advisory Board. Dr. Merle McCann, another AAB Board member, serves on other Prevention and Legislative Maryland State AIDS Administration Advisory Panels.

TREATMENT SERVICES ADVOCACY PROGRAM

Our Chair, Lynda Dee, uses her HIV research knowledge and national network to assist AAB in advocating for vital treatment services for people with HIV/AIDS locally. For example, the federal government recently changed the availability of Medicaid funds for the disabled. This might have resulted in many people with AIDS who receive their HIV drugs via Medicaid paying thousands of dollars for their life-saving prescription medications. AAB successfully worked with Maryland's AIDS Drug Assistance Program (MADAP) to cover the costs that the federal government will no longer reimburse.

AAB has taken a leadership role in ensuring that the law in Maryland regarding HIV testing requirements is streamlined in order to remove HIV testing barriers. Ms. Dee is a member of the AIDS Administration Working Group mandated by the Maryland legislature in this regard. This is vitally important as Baltimore City and Maryland both rank second in the US in AIDS cases in their respective geographic categories.

AAB also works with the National Fair Pricing Coalition and the National Association of State AIDS Directors Emergency AIDS Drug Assistance Task Force to pressure the pharmaceutical industry to price drugs more reasonably and not to continually raise the price of HIV drugs. This is one of our most difficult endeavors. But we have been able to force "Big Pharma" to price AIDS Drug Assistance Program drugs lower than usual market prices. As you can well imagine, this battle requires unrelenting community pressure.

BOARD OF DIRECTORS

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OFFICERS

Lynda Dee
President

Thomas Holden
Treasurer

Jake Boone
Secretary

Jeffrey Grabelle
Office Manager

EVENTS OF 2006

January

Nominations for Board of Directors
Brother Help Thyself Grant Award Ceremony

February

Election of Board of Directors
13th Conference on Retroviruses & Opportunistic Infections

March

Combined Charity Campaigns Acceptance
Ryan White Title I Grant Award

April

HIV/AIDS in Maryland "Making Your Vote Count" Town Meeting
MADAP Advisory Board Meeting

May

VIAAC Grant Award
AIDS Legislative Committee Meeting

June

Dancing for Life Benefit
Gay Pride Parade
Gay Pride Celebration

July

Hippo Benefit Show
MADAP Advisory Board Meeting

August

Brother Help Thyself Grant Application Review
Hippo Bingo Benefit

September

MADAP Advisory Board Meeting
Hippo "Mama Mia" Benefit
Creative Alliance/Bernard Cohen Art Exhibit Benefit

October

AIDS Legislative Committee Meeting
Halloween HIV Prevention Outreach
National Coming Out Day Outreach

November

Direct Mail Campaign
Thanksgiving Day Outreach

December

RISE Retreat
World AIDS Day Health Fair Outreach

INDEPENDENT AUDITOR'S REPORT

To The Board of Directors, AIDS Action Baltimore, Inc.

We have audited the accompanying statement of financial position of AIDS Action Baltimore, Inc. (a nonprofit organization) as of December 31, 2006 and 2005, 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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 AIDS Action Baltimore, Inc. as of December 31, 2006 and 2005, 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.

Friedman and Associates, P.A.
Certified Public Accountants

Baltimore, Maryland June 11, 2007

The following financial information is excerpted from the Auditor's Report. A complete copy of the Auditor's Report and Accompanying Notes, and/or current financial statement is available upon request by contacting AIDS Action Baltimore, Inc. at 10 East Eager Street, Baltimore, MD 21202 or 410-837-2437. Documents and information submitted to the State of Maryland under the Maryland Charitable Solicitations Act are available from the Office of the Secretary of State, State House, Annapolis, MD 21401 for the cost of copying and postage.

AIDS ACTION BALTIMORE, INC.
Statement of Financial Position
as at December 31, 2006 and 2005

ASSETS

	<u>2006</u>	<u>2005</u>
<u>Current Assets</u>		
Cash and Cash Equivalents	27,141	64,535
Accounts Receivable	36,875	25,875
Prepaid Expenses	<u>484</u>	<u>413</u>
<u>TOTAL CURRENT ASSETS</u>	<u>\$ 64,500</u>	<u>\$ 90,823</u>
<u>Furniture & Equipment</u>		
Furniture and Equipment	\$ 54,902	\$ 54,902
Less: Accumulated Depreciation	<u>52,916</u>	<u>51,481</u>
<u>TOTAL FURNITURE & EQUIPMENT</u>	<u>1,986</u>	<u>3,421</u>
<u>TOTAL ASSETS</u>	<u>\$ 66,486</u>	<u>\$ 94,244</u>
<u>LIABILITIES AND NET ASSETS</u>		
<u>Current Liabilities</u>		
Accrued Expense Payable	\$ 2,556	\$ 2,116
Income Taxes Payable	-0-	94
Credit Cards Payable	2,073	-0-
Payroll Taxes Payable	<u>2,145</u>	<u>-0-</u>
<u>TOTAL CURRENT LIABILITIES</u>	<u>\$ 6,774</u>	<u>\$ 2,210</u>
<u>Net Assets</u>		
Unrestricted	\$ 57,492	\$ 90,890
Temporarily Restricted	<u>2,220</u>	<u>1,144</u>
<u>TOTAL NET ASSETS</u>	<u>\$ 59,712</u>	<u>\$ 92,034</u>
<u>TOTAL LIABILITIES AND</u>		
<u>NET ASSETS</u>	<u>\$ 66,486</u>	<u>\$ 94,244</u>

AIDS ACTION BALTIMORE, INC.
Statement of Activities
For The Years Ended December 31, 2006 and 2005

<u>Total</u>	Temporarily <u>Restricted</u>	Un- <u>Restricted</u>	2006 <u>Total</u>	2005
<u>PUBLIC SUPPORT AND REVENUE</u>				
PUBLIC SUPPORT:				
Contributions	\$11,754	\$ 59,510	\$ 71,264	\$ 143,320
Special Events	-0-	123,593	123,593	3,900
Grants-Education	-0-	14,000	14,000	
Grants-Ryan White	<u>-0-</u>	<u>67,048</u>	<u>67,048</u>	<u>-0-</u>
Total Public Support	\$11,754	\$ 264,151	\$ 275,905	\$ 233,459
Net Assets Released from Restriction	-0-	-0-	-0-	-0-
REVENUE:				
Rental Income	-0-	-0-	-0-	1,625
Investment Income	<u>-0-</u>	<u>580</u>	<u>580</u>	<u>1,304</u>
<u>TOTAL SUPPORT AND REVENUE</u>	\$ 11,754	\$ 264,731	\$ 276,485	\$ 236,388
<u>EXPENSES</u>				
Program Services:				
Client Services	10,677	258,319	268,996	243,141
SUPPORTING SERVICES				
Management and General	<u>-0-</u>	<u>39,810</u>	<u>39,810</u>	<u>38,034</u>
<u>TOTAL EXPENSES</u>	<u>\$ 10,677</u>	<u>\$ 298,129</u>	<u>\$ 308,806</u>	<u>\$ 281,75</u>
Change in Net Assets	1,077	(33,398)	(32,321)	(44,787)
<u>NET ASSETS -</u>				
<u>BEGINNING OF THE YEAR</u>	<u>1,144</u>	<u>-90,890</u>	<u>92,034</u>	<u>136,820</u>
<u>NET ASSETS -</u>				
<u>END OF THE YEAR</u>	<u>\$ 2,221</u>	<u>\$ 57,492</u>	<u>\$ 59,713</u>	<u>\$ 92,033</u>