

Preliminary Analysis of Tax Returns for The Stop AIDS Project (SAP)

This is a preliminary analysis of five of the Stop AIDS Projects' Form 990 federal tax returns. A fuller analysis will be posted to TheLastWatch web site by September 22, 2003; please return to view the updated data.

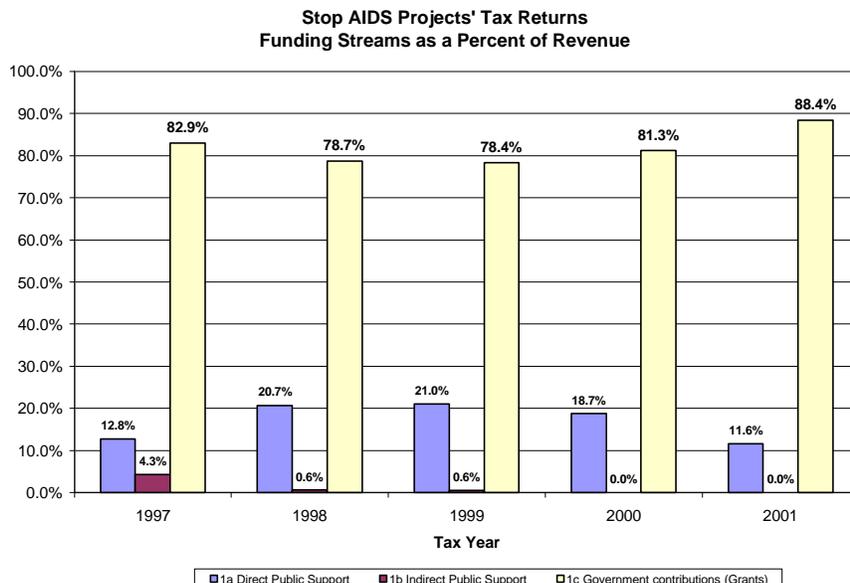
Does the Public Really Support SAP?

In the two years since Darlene Weide was promoted internally to be the Executive Director of the Stop AIDS Project in San Francisco and first listed on SAPs tax return beginning in the FY which ended in June 2001, public support has dropped by 7%, while at the same time SAPs reliance on government contracts soared to an all-time high of 88.4%. In the two years since tax year 1999 ending in June 2000, SAPs reliance on the public nickel (OK, dime) has climbed fully 10% (from 78.4% to 88.4%). No damned wonder SAP is so concerned about losing government funds: Its funding house of cards may fold due to over-reliance on a single source of funding. Such over-reliance bodes ill for any non-profit organization depending on government largesse, and it is troubling precisely because SAP s is not diversifying its revenue streams, instead praying heavily that its insider connections with political hacks can help keep government funding flowing SAPs way. Unfortunately, when the hacks influence dries up, so will SAPs principal funding stream.

While Darlene Weide (who is listed as SAPs Executive Director starting with its 2000 tax return for the period ending in June 2001) and Shana Crochmal (SAPs spokesperson, as of 2003) continue to quibble in the *Bay Area Reporter* as late as September 11, 2003 that the "CDC is using taxpayers' dollars to wage a campaign of harassment and intimidation against [SAP]," it is clear that SAPs heavy reliance on those same taxpayers' dollars (whether federal or City General Funds, since SAP claims it is using City money to fund its controversial programming), has shot up dramatically by way of increased government contracts. Sadly the very "public support" SAP claims is behind them has dropped by \$161,954 between the periods ending June 2000 and June 2002 (which drop represents nearly 10% — OK, only 9.8% — of SAPs revenue subtotal for 2001), during the two year period after Weide first became Executive Director.

Line	Description	1997		1998		1999		2000		2001	
		FY Ending 6/30/98	%Mix	6/30/99	%Mix	6/30/00	%Mix	6/30/01	%Mix	6/30/02	%Mix
1a	Direct Public Support	187,287	12.78%	336,092	20.67%	354,789	21.01%	339,306	18.74%	192,835	11.63%
1b	Indirect Public Support	62,555	4.27%	10,114	0.62%	9,675	0.57%	0.00%	0.00%	0.00%	0.00%
1c	Government contributions (Grants)	1,215,444	82.95%	1,279,425	78.70%	1,322,827	78.35%	1,470,949	81.26%	1,464,859	88.37%
1d	Cash	1,380,970		1,545,080		1,646,121		1,746,459		1,644,206	
1d	Noncash	84,316		80,551		42,170		63,796		13,488	
1d	Revenue Subtotal	<u>1,465,286</u>		<u>1,625,631</u>		<u>1,688,291</u>		<u>1,810,255</u>		<u>1,657,694</u>	

Another way of viewing this data is this:



So What Are We Getting by Way of the Public Nickel?

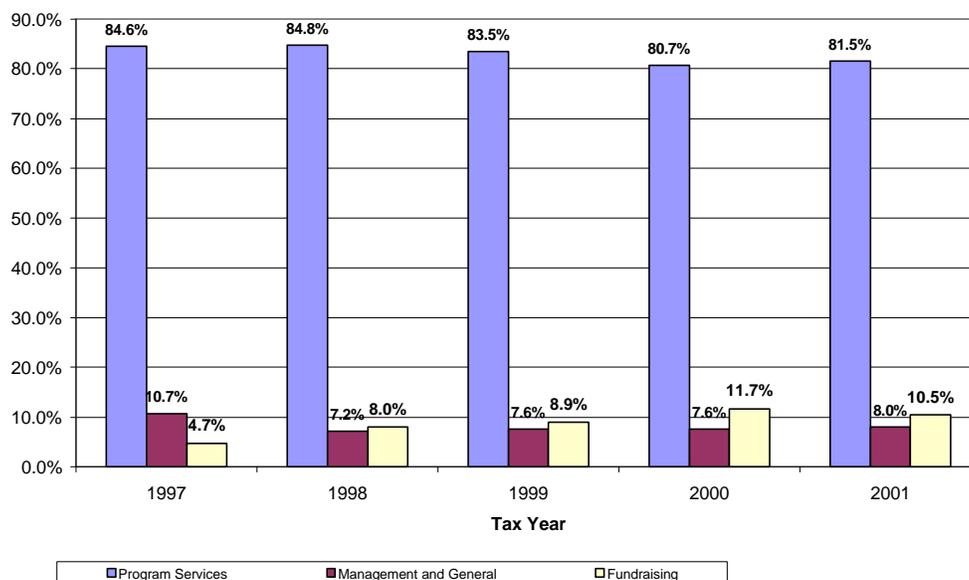
Since tax year 1997 which ended in June 1998, we've seen SAPs fundraising expenses triple from \$67,027 in 1997 to \$182,840 in 2001, having peaked at nearly \$218,356 in 2000. This tripling of fundraising expenses has occurred across four short years (Jul '98–Jun '01), two of which were under Darlene Weide's watch as Executive Director. While the percent mix spent on fundraising has climbed by only 6% of the overall mix, spending three times as much for fundraising at the same time incoming funds (Direct Public Support) actually brought in to the organization dropped substantially is simply bad rocket science. Despite the increased spending for fundraising, actual contributions from the "Direct Public Support" (i.e., the charity-donating public) has dropped by \$161,954 on the first two years of tax return since Darlene Weide became SAPs Executive Director back in 2001 (plummeting from \$354K to only \$192K), while at the same time Indirect Public Support has simply vanished under her tenure (see the tabular data on page 1 of this report).

In order to more than double the percent mix of funds spent on Fundraising since 1997, SAP has had to reduce actual Program Services to its clients by 3.5%.

If ever there was a reason for the Board of Directors of SAP to terminate its Executive Director, this is it: When the public no longer respects the work an organization is doing, they simply stop contributing funds, and this is precisely what has happened under Weide's tenure as executive director. Weide's first two years on the job, according to the tax returns, were disastrous in terms of the fall off in Direct Public Support and the over-reliance on government contracts. (Results of Weide's third year as Executive Director will become available when SAPs tax return for the period ending in June 2003 are released during the next year.) Combine the fall off in direct public support with her opposition to changing the condom distribution contract (discussed elsewhere on this web site) in order to possibly preserve a potential "kickback," the open revolt over Weide's insistence to prematurely halt the "HIV Is No Picnic" advertising campaign, and the en masse resignation of SAPs volunteers, and this board has sufficient grounds to terminate her immediately. If SAPs board doesn't, their heads are entirely in the sand, unless their heads are in an orifice TheLastWatch.com won't mention.

Line	Description	1997		1998		1999		2000		2001	
		FY Ending 6/30/98	% Mix	6/30/99	% Mix	6/30/00	% Mix	6/30/01	% Mix	6/30/02	% Mix
44b	Program Services	1,202,782	84.60%	1,328,186	84.78%	1,392,420	83.47%	1,507,241	80.71%	1,426,616	81.54%
44c	Management and General	151,838	10.68%	112,350	7.17%	127,064	7.62%	141,898	7.60%	140,165	8.01%
44d	Fundraising	67,027	4.71%	126,062	8.05%	148,635	8.91%	218,356	11.69%	182,840	10.45%
	Total	<u>1,421,647</u>		<u>1,566,598</u>		<u>1,668,119</u>		<u>1,867,495</u>		<u>1,749,621</u>	

Stop AIDS Projects' Tax Returns
Expenses for Program Services, Management and General, and Fundraising



So What Else Is Wrong With SAPs Financial "Picture"?

Among other things, since tax year 1997 which ended in June 1998, SAP has decreased its "Outreach and Education" line item (line 43, Other Expenses) on its tax returns from \$68,308 to only \$41,876 for tax year 2001 (ending in June 2002). The \$41K spent in 2001 for outreach and education represents only 61.3% of the amount it spent on the same activity in 1997,

indicating that actual services to its clients have taken a back seat to other expenses. Another expense that has been whacked is for Volunteer Support: In 1997 SAP spent \$24,273 in support of its volunteers, but that amount has shrunk to a paltry \$3,024 on its 2001 tax return.

Further details analyzing SAPs tax returns will be posted to this web site by September 22.