

Despite these challenges, Whitman-Walker Clinic's staff and volunteers continued throughout 2004 to provide the same comprehensive array of medical and social support services to the gay, lesbian, bisexual and transgender communities and to those living with or affected by HIV/AIDS.

HIV/AIDS for gay men rise beyond ABC: Health

In 2004, that commitment was demonstrated despite an atmosphere of reduced government funding and continued ambivalence toward the epidemic on the part of political leaders and the community in general.

In 2004, the District of Columbia remained an epicenter of the HIV/AIDS epidemic in the United States. An estimated one in every 20 adults in DC is believed to be HIV-positive. Up to one-third of them do not know their status. The rate of new AIDS cases per capita in DC is 10 times higher than the national average.

HIV/AIDS

Whitman-Walker Clinic continued its more than 20-year commitment to provide medical and social support services to adults living with HIV/AIDS in the DC metropolitan area.



To meet this serious epidemic, Whitman-Walker Clinic rededicated itself to community outreach.

In April 2004, the G-Net program launched the “Mpowerment Project” for gay and bisexual men, an effort to create a corps of peer educators to spread the message and the facts about HIV prevention.

Whitman-Walker Clinic of Northern Virginia became the final regional center to offer on-site rapid HIV testing on National HIV Testing Day in June 2004. Expanded HIV testing both on- and off-site was also available in DC and Maryland on that day.

June also saw additional federal funding for Whitman-Walker Clinic of Suburban Maryland’s SMART (Suburban Maryland AIDS Reduction Team) program. The Centers for Disease Control awarded a five-year grant to the program with \$374,962 for the first year. SMART promotes HIV prevention among African-Americans in Montgomery and Prince George’s counties through street and community outreach, HIV counseling and testing, prevention workshops, individual counseling, peer educator training and a speaker’s bureau.

Whitman-Walker Clinic closed 2004 with a World AIDS Day dedication of two new mobile HIV testing units aimed at African-Americans and Latinos. The units, funded by CareFirst BlueCross BlueShield and the Centers for Disease Control, allow Clinic staff to visit communities at high risk for HIV infection and bring rapid testing and HIV education to them. Through this program, the Clinic will work to reach those who may not come to the Clinic for testing, education or treatment.

In addition, World AIDS Day 2004 saw the opening of “Our Heroes: A 20-Year Journey of AIDS Through our Eyes,” an art exhibit presented by Max Robinson Center. The exhibit at the Martin Luther King Jr. Public Library, continued through the month of December and included works of art and historic artifacts to tell the story of HIV/AIDS in Washington, DC. It is hoped that this will be the first of a series of annual displays that will be a remembrance of those we have lost, the challenges we face, and those who continue to survive.

In addition to our community outreach efforts, we once again joined the fight to persuade Congress to allow the District of Columbia to use its own local tax dollars to fund a needle exchange program. Every scientific study continues to show that needle exchange reduces the transmission of HIV without increasing drug use. Although the federal budget that passed banned funding for needle exchange, Whitman-Walker Clinic will continue to engage this battle every year until the District of Columbia is free to use its own funds for a scientifically proven method of HIV prevention.

Despite the challenges that arose in 2004, Whitman-Walker Clinic remains committed to serving those living with or affected by HIV/AIDS.

VITAL STATISTICS

Number of clients	7,009
HIV tests	5,716
Percentage of clients living below federal poverty level	75%
Case Management appointments	14,792
Medical appointments	11,505
Mental Health appointments	5,530
Addiction Services appointments	5,516
GLBT Health appointments	3,628
Dental appointments	3,067
Bags of groceries	5,768
Legal Services appointments	1,829



Bush Pushes for Ban on Gay Marriage

Lesbian cleric faces church discipline

Studies suggest gay men abusing partners with HIV

GLBT Health

Since our founding, Whitman-Walker Clinic has been at the forefront of the fight for gay, lesbian, bisexual and transgender rights, including the right to quality, appropriate health care.

In 2004, the fight for GLBT rights was focused on marriage, as court fights and ballot initiatives around the country brought the near total lack of rights and recognition for same-sex couples to the forefront.

In response to the growing same-sex marriage debate, Whitman-Walker Clinic hosted a series of public forums on marriage, civil unions and domestic partnerships. These forums explained all three options, where they are viable, and what rights and responsibilities come with each.



The focus on rights for same-sex couples brought with it the inevitable question of such couples starting families.

The Lesbian Services Program continued to offer its very popular “Maybe Baby” series for lesbians and gay men. The 10-week program educated participants on the intricacies of adoption and alternative insemination, parenting and adjusting to life as a parent.

Relationships aren’t always happy. G-Net, Whitman-Walker Clinic’s program for gay men’s health and wellness, held a community seminar on domestic violence among gay male couples. The seminar addressed not only physical abuse but also emotional and verbal abuse, intimidation and threats.

In March 2004, we joined with the National Coalition for LGBT Health to observe the second annual National LGBT Health Awareness Week. The Clinic offered a number of public forums and health and support services to mark the week.

June 2004 brought the annual Capital Pride festival. In its 29th year, Capital Pride again presented a week of political, cultural and social events to celebrate the LGBT community in the DC metropolitan area.

The 2004 Pride theme, “Pride + Vote = Power,” reflected a greater effort to encourage LGBT citizens to become involved in the political process. Motivated by the introduction of the Federal Marriage Amendment to the Constitution and by same-sex marriage ballot initiatives around the country, the Pride Planning Committee organized “Five for Pride,” an effort to encourage Pride attendees to register and pledge to vote, volunteer time to an organization or campaign, sign up for mailings from organizations, get tested for HIV, and donate to an advocacy organization.

The Lesbian Services Program (LSP) opened its new space at 1810 14th Street in July 2004. The new storefront space provides a more functional facility for LSP’s programs and staff and gives a more public presence to the program. The new space is also adjacent to existing Whitman-Walker Clinic facilities in the 14th Street corridor.

While 2004 was a year of highs and lows for the GLBT community, Whitman-Walker Clinic remains committed to the fight for full legal and social equality for GLBT citizens and will continue to provide health care services for our community.



Clinic Restructuring

In 2003, Whitman-Walker Clinic initiated a three-phase restructuring effort to deal with chronic financial issues and ensure that the Clinic would remain financially stable in the future.



Phase three of that effort began in 2004 with a review and a re-examination of all Clinic programs.

An integral part of this phase was determining what Clinic programs are core to our mission. These programs are vital to our clients and include primary medical care, mental health and addictions treatment and health promotion, particularly our testing and counseling services. These are programs that the Clinic will ensure are offered at all sites.

Many non-core programs are essential because they support core programs, but Clinic management determined some could be reduced or spun off to other providers without affecting our mission.

We also developed financial benchmarks to improve the fiscal health of the Clinic, which included significantly lowering the costs of fund raising, diversifying and expanding our revenue sources, and building an endowment.

Based on the tremendous cash demand placed on the Clinic that jeopardized the Clinic's fiscal stability, the board of directors decided in 2004 to transition our housing programs to other providers in the region. We worked with the local funders into 2005 to ensure that no clients were left without housing or put into situations that would compromise their health and recovery.

In addition, the Maddix building, located at 1734 14th St., N.W., was sold in December 2004. The proceeds from that sale will be used to complete renovations in the vacant space in the Richard Karpawich Building at 1711 14th St., N.W. Once renovations are complete, the Austin Center for Health and Living, the laboratory and part of the Education and Prevention program will be integrated into our care delivery system to expand our day treatment services.

This sale will not only provide needed funds for the Clinic but will also continue the process of consolidating Clinic services into a smaller and more easily accessible area for our clients.

While these decisions were difficult, the Clinic board of directors and senior management felt that they were necessary for the long-term future of Whitman-Walker Clinic and to ensure that we can continue to provide an array of services that are core to our mission.



Rallying for a worthy cause

Whitman-Walker Clinic's cheer AIDS benefit has two major goals: Welcoming and cheering women girls

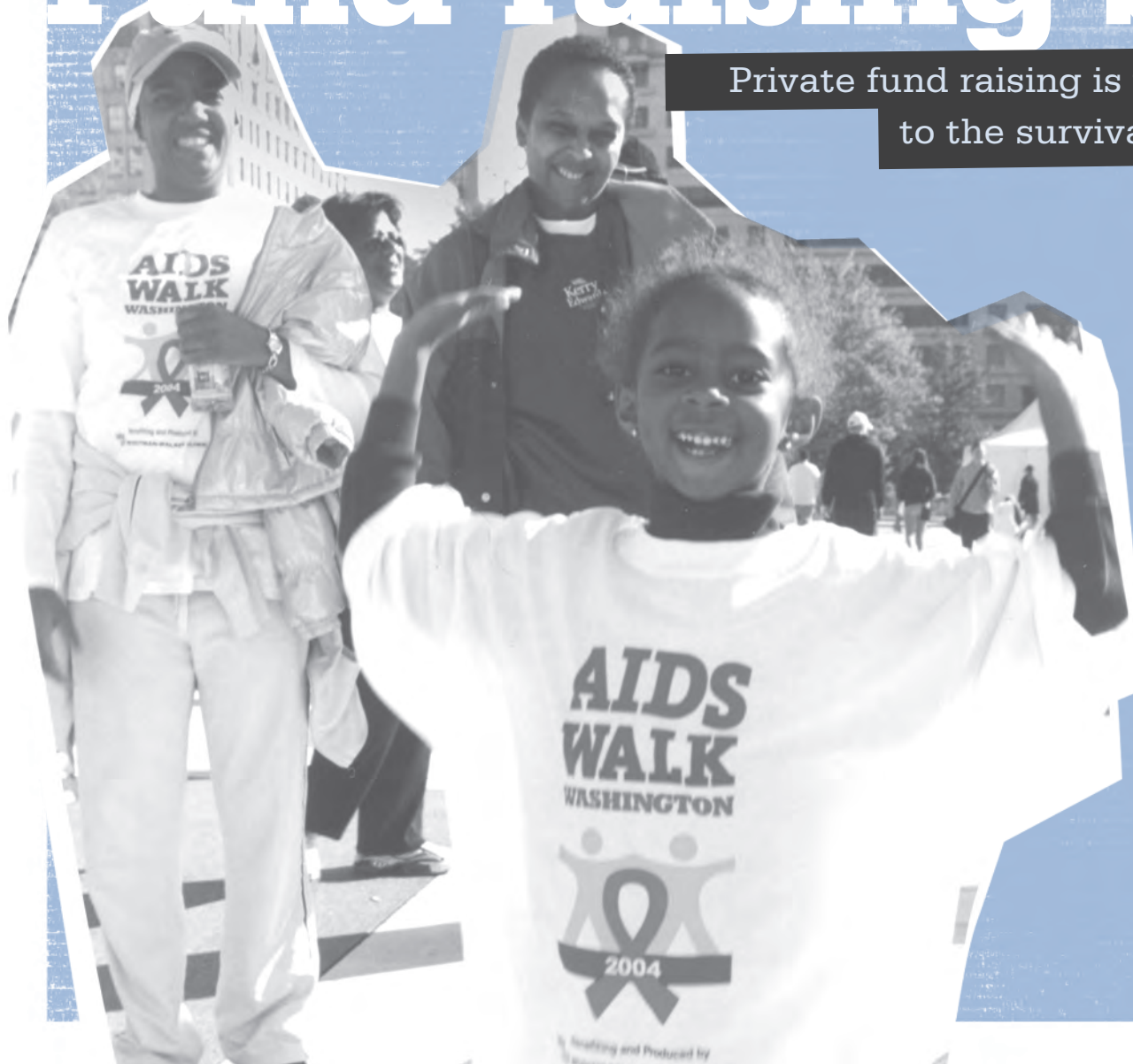
Fund-raising Success

Private fund raising is vital

to the survival of Whitman-Walker Clinic

One-third of the Clinic's annual budget comes from individual donors, corporate sponsors, foundation grants and special events.

2004 saw tremendous efforts to raise much-needed funds for Whitman-Walker Clinic. From stars of Broadway and Hollywood, to donations from corporate giants, to individual donors, to people walking and running to defeat HIV/AIDS, the year's fund-raising initiatives brought together people from all walks of life to help Whitman-Walker Clinic provide services to those in great need.



NEW MOBILE HIV TESTING VEHICLES

A donation often makes the difference between a dream and reality. This was certainly the case in 2004 with the donation of \$100,000 from CareFirst BlueCross BlueShield to support two new mobile HIV testing units. Across the country, new HIV infections are impacting the Latino and African-American communities at an alarming rate, particularly among women. A major factor in this trend is the high number of people who are living with HIV but do not know they are infected.

In 2003, Whitman-Walker Clinic received a grant from the Centers for Disease Control to launch a new peer-to-peer community outreach program focusing on these communities. Trained staff and volunteers go into neighborhood gathering spots and talk about the risk and dangers of HIV/AIDS. They then offer a free HIV test, with results provided in about 30 minutes. The tests must be conducted in approved mobile outreach vans, but the funds provided by the grant did not cover the full cost of outfitting the vans and implementing the program.

We turned to CareFirst BlueCross BlueShield because we know of their commitment to addressing health care needs in our area. The result? A generous grant. More importantly, Whitman-Walker Clinic now has a new mechanism to help keep at-risk populations safe from the AIDS epidemic.

'CELEBRATION OF LIFE' A SUCCESS!

In May, "Divas of a Lifetime" Bea Arthur, Dixie Carter and Elaine Stritch performed at the annual "Celebration of Life" spring gala. The annual Partner for Life award was presented to the M·A·C AIDS Fund. The gala raised \$295,230.

18TH ANNUAL AIDS WALK

In the fall, the 18th annual AIDS Walk brought thousands of walkers to Freedom Plaza and met its goal of \$580,000. The annual Courage Award was presented to Matthew Cusick, who won an HIV-discrimination complaint against Cirque du Soleil.

NATIONAL AIDS MARATHON

The National AIDS Marathon Training Program prepared thousands of participants to run marathons in New Orleans, Honolulu, Baltimore, Dublin, Ireland and Washington. This year, the program raised \$3.4 million for Whitman-Walker Clinic.

A Celebration of Life

Whitman-Walker Clinic 18th Annual Spring Gala



Whitman-Walker Clinic, Inc. | Statement of Financial Position | December 31, 2004, and 2003

	2004			2003
	Unrestricted	Temporarily Restricted	Total	Total
ASSETS				
Current assets				
Cash and cash equivalents	\$516,612	\$195,540	\$712,152	\$4,118,391
Accounts receivable				
Grants and contracts	3,422,395	-	3,422,395	3,063,245
CFC/United Way	51,485	-	51,485	161,114
Related entity	220,860	-	220,860	206,837
Medicaid and other third party	269,949	-	269,949	382,293
Other	224,304	-	224,304	95,140
Investments	135,115	-	135,115	699,771
Inventory	105,812	-	105,812	64,284
Prepaid expenses	411,771	-	411,771	152,421
Total current assets	5,358,303	195,540	5,553,843	8,943,496
Property				
Land, buildings and improvements	13,569,851	-	13,569,851	11,954,527
Furniture and equipment	2,435,347	-	2,435,347	2,338,281
Transportation	248,875	-	248,875	78,078
	16,254,073	-	16,254,073	14,370,886
Less depreciation and amortization	(4,337,724)	-	(4,337,724)	(4,220,100)
Net property and equipment	11,916,349	-	11,916,349	10,150,786
Other				
Deposits	22,127	-	22,127	111,628
Unamortized bond cost	92,212	-	92,212	221,718
Total other assets	114,339	-	114,339	333,346
Total assets	\$17,388,991	\$195,540	\$17,584,531	\$19,427,628
LIABILITIES				
Current				
Accounts payable and accrued expenses	\$2,424,527	\$ -	\$2,424,527	\$2,534,480
Line of credit	903,063	-	903,063	300,000
Current portion of long-term debt	72,112	-	72,112	393,999
Refundable advances	95,545	-	95,545	143,191
Total current liabilities	3,495,247	-	3,495,247	3,371,670
Long-term				
Long-term debt, net of current portion	4,031,250	-	4,031,250	6,735,346
Total long-term liabilities	4,031,250	-	4,031,250	6,735,346
Total liabilities	7,526,497	-	7,526,497	10,107,016
NET ASSETS				
Endowment-board designated	\$2,563,652	\$ -	\$2,563,652	\$2,943,878
Net assets	7,298,842	195,540	7,494,382	6,376,734
Total net assets	9,862,494	195,540	10,058,034	9,320,612
Total liabilities and net assets	\$17,388,991	\$195,540	\$17,584,531	\$19,427,628

Whitman-Walker Clinic, Inc. | Statement of Activities and Changes in Net Assets | Years Ended December 31, 2004, and 2003

	2004		2003	
	Unrestricted	Temporarily Restricted	Total	Total
REVENUE				
Public support:				
Contracts and grants	\$15,638,721	\$1,170,238	\$16,808,959	\$15,738,856
Contributions	4,166,080	-	4,166,080	5,010,372
Special events	5,009,212	-	5,009,212	3,062,788
Costs of direct donor benefits	(493,593)	-	(493,593)	(592,215)
CFC/United Way	597,433	-	597,433	734,329
Program service donations and fees	263,906	-	263,906	252,043
Medicaid third party payments and other	2,973,845	-	2,973,845	2,502,726
Net assets released from restrictions:				
Satisfaction of prog. & time restrictions	1,397,671	(1,397,671)	-	-
Total public support	29,553,275	(227,433)	29,325,842	26,708,899
Other revenue:				
Pharmacy	161,880	-	161,880	221,523
Investment income (net)	88,795	-	88,795	109,668
Rent	55,399	-	55,399	117,634
Total other revenue	306,074	-	306,074	448,825
Total revenue	29,859,349	(227,433)	29,631,916	27,157,724
EXPENSES				
Program services:				
Behavioral health	\$4,747,857	\$ -	\$4,747,857	\$5,034,351
Preventive health	2,161,728	-	2,161,728	1,796,939
Legal services	850,556	-	850,556	966,100
Communication/PA	504,399	-	504,399	712,248
WWC - Virginia	1,691,670	-	1,691,670	2,042,469
WWC - Maryland	3,954,833	-	3,954,833	5,282,776
External affairs	500,577	-	500,577	602,259
Medical services	6,976,274	-	6,976,274	3,965,453
Volunteer resources	208,339	-	208,339	488,869
Max Robinson Center	1,684,846	-	1,684,846	1,487,493
Total program services	23,281,079	-	23,281,079	22,378,957
Support services:				
Management and general	\$2,835,463	\$ -	\$2,835,463	\$3,233,146
Development	3,973,019	-	3,973,019	2,851,314
Total support services	6,808,482	-	6,808,482	6,084,460
Total expenses	30,089,561	-	30,089,561	28,463,417
CHANGES IN NET ASSETS FROM OPERATIONS	(230,212)	(227,433)	(457,645)	(1,305,693)
GAINS				
Gain on disposition of real estate	1,195,067	-	1,195,067	2,257,799
CHANGES IN NET ASSETS	964,855	(227,433)	737,422	952,106
NET ASSETS AT BEGINNING OF YEAR	8,897,639	422,973	9,320,612	8,368,506
NET ASSETS AT END OF YEAR	\$9,862,494	\$195,540	\$10,058,034	\$9,320,612

The Board of Directors
Whitman-Walker Clinic, Inc.
Washington, DC 20009

We have audited the accompanying statement of financial position of Whitman-Walker Clinic, Inc. (a non-profit organization) and the related statement of activities and changes in net assets, functional expenses, and cash flows as of and for the years ended December 31, 2004, and 2003. These financial statements are the responsibility of the Clinic'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 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 as-

sessing 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 the Whitman-Walker Clinic, Inc. as of December 31, 2004, and 2003 and changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 9, 2005, on our consideration of Whitman-Walker Clinic, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in

conjunction with this report in considering the results of our audit.

The accompanying Schedule of Expenditures of Federal Awards and other supplementary information is presented for purposes of additional analysis as required by U. S. Office of Management and Budget (OMB) 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.

Berry Group, P.C.
Alexandria, Virginia
August 9, 2005

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