

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT**

MARCH 31, 2014

CERTIFIED PUBLIC ACCOUNTANTS
&
BUSINESS CONSULTANTS

February 8, 2016

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Being Alive/People with AIDS Action Coalition, Inc.
West Hollywood, California

We have audited the accompanying financial statements of Being Alive/People with AIDS Action Coalition, Inc. (a nonprofit corporation) which comprise the statement of financial position as of March 31, 2014, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT (CONT.)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Being Alive/People with AIDS Action Coalition, Inc. as of March 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

NSBN LLP

NSBN LLP
Beverly Hills, California

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
TABLE OF CONTENTS
MARCH 31, 2014

	<u>Page</u>
INDEPENDENT AUDITORS' REPORT	1-2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-11

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2014
WITH COMPARATIVE TOTALS AT MARCH 31, 2013

	2014	2013
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 11,957	\$ 7,639
Accounts receivable	29,825	46,030
Prepays and other assets	21,821	25,783
TOTAL CURRENT ASSETS	63,603	79,452
Fixed assets, net	36,653	40,641
TOTAL ASSETS	\$ 100,256	\$ 120,093
 LIABILITIES		
Current Liabilities		
Accounts payable	\$ 19,485	\$ 21,645
Accrued vacation	-	15,729
Deferred revenue	12,355	11,000
TOTAL CURRENT LIABILITIES	31,840	48,374
 NET ASSETS - Unrestricted	68,416	71,719
 TOTAL LIABILITIES AND NET ASSETS	\$ 100,256	\$ 120,093

See accompanying auditors' report.
The notes are an integral part of these financial statements.

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED MARCH 31, 2014
WITH COMPARATIVE TOTALS AT MARCH 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014</u>	<u>2013</u>
REVENUE AND PUBLIC SUPPORT				
Government grants	\$ 282,132	\$ -	\$ 282,132	\$ 252,991
Special events	101,849	-	101,849	94,313
Contributions	55,119	-	55,119	75,414
Interest and other income	-	-	-	1,642
Net assets released from restrictions:				
Satisfaction of purpose	-	-	-	-
	<u>439,100</u>	<u>-</u>	<u>439,100</u>	<u>424,360</u>
TOTAL REVENUE AND PUBLIC SUPPORT				
EXPENSES				
Program services	324,904	-	324,904	321,194
General and administrative	51,878	-	51,878	46,940
Fundraising	65,621	-	65,621	64,313
	<u>442,403</u>	<u>-</u>	<u>442,403</u>	<u>432,447</u>
TOTAL EXPENSES				
CHANGE IN NET ASSETS	(3,303)	-	(3,303)	(8,087)
NET ASSETS AT BEGINNING OF YEAR	<u>71,719</u>	<u>-</u>	<u>71,719</u>	<u>79,806</u>
NET ASSETS AT END OF YEAR	<u>\$ 68,416</u>	<u>\$ -</u>	<u>\$ 68,416</u>	<u>\$ 71,719</u>

See accompanying auditors' report.
The notes are an integral part of these financial statements.

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED MARCH 31, 2014
WITH COMPARATIVE TOTALS AT MARCH 31, 2013

	Program Services	Supporting Services		2014	2013
		General and Administrative	Fundraising		
Salaries	\$ 137,919	\$ 10,838	\$ 8,129	\$ 156,886	\$ 175,400
Employee benefits	34,260	1,878	1,408	37,546	40,843
Payroll taxes	13,904	762	571	15,237	15,976
Total salary related expenses	<u>186,083</u>	<u>13,478</u>	<u>10,108</u>	<u>209,669</u>	<u>232,219</u>
Occupancy	62,096	6,210	9,315	77,621	74,970
Special events expense	-	-	40,799	40,799	19,736
Accounting	-	27,087	-	27,087	16,128
Consulting	22,600	-	-	22,600	14,220
Wellness center expense	12,695	-	-	12,695	11,860
Equipment, repairs and maintenance	7,390	739	1,108	9,237	13,910
Telephone and communications	6,831	683	1,025	8,539	8,617
Insurance	6,639	664	996	8,299	11,678
Program incentives	7,168	-	-	7,168	4,742
Office expenses	3,030	2,279	1,161	6,470	9,603
Postage and delivery	2,785	278	418	3,481	4,962
Printing and reproduction	1,415	141	212	1,768	2,455
Volunteer support	1,518	-	-	1,518	1,787
Outreach and education	1,419	-	-	1,419	1,280
Travel	45	-	-	45	164
Expenses before depreciation	<u>321,714</u>	<u>51,559</u>	<u>65,142</u>	<u>438,415</u>	<u>428,331</u>
Depreciation	<u>3,190</u>	<u>319</u>	<u>479</u>	<u>3,988</u>	<u>4,116</u>
Total expenses 2014	<u>\$ 324,904</u>	<u>\$ 51,878</u>	<u>\$ 65,621</u>	<u>\$ 442,403</u>	
Total expenses 2013	<u>\$ 321,194</u>	<u>\$ 46,940</u>	<u>\$ 64,313</u>		<u>\$ 432,447</u>

See accompanying auditors' report.
The notes are an integral part of these financial statements.

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2014
WITH COMPARATIVE TOTALS AT MARCH 31, 2013

	2014	2013
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (3,303)	\$ (8,087)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation	3,988	4,116
(Increase) decrease in assets:		
Accounts receivable	16,205	(28,626)
Prepays and other assets	3,963	5,791
Increase (decrease) in liabilities:		
Accounts payable	(2,160)	18,644
Accrued vacation	(15,729)	(2,920)
Deferred revenue	1,355	(560)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES	4,319	(11,642)
NET CASH PROVIDED BY INVESTING ACTIVITIES	-	-
NET CASH PROVIDED BY FINANCING ACTIVITIES	-	-
NET INCREASE (DECREASE) IN CASH	4,319	(11,642)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	7,638	19,280
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 11,957	\$ 7,638

See accompanying auditors' report.
The notes are an integral part of these financial statements.

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

Note 1 ORGANIZATION

History

Being Alive/People with AIDS Action Coalition, Inc. (Being Alive), a nonprofit organization incorporated in the State of California, is Los Angeles' first peer-led HIV/AIDS agency. Established in 1986 by three friends who were living with AIDS, Being Alive was created to provide services free of red tape. These visionaries saw the need for a peer-based agency to advocate for the community from the point of view of those infected. Today, Being Alive is a beacon of support, education and empowerment to thousands of people with HIV/AIDS.

Mission

Being Alive is an agency by and for people living with HIV/AIDS that seeks to bring peers out of isolation, to engender a sense of self-reliance and self-direction, and to build a stronger community of HIV-positive people. Being Alive accomplishes its mission by providing support, education, advocacy, prevention and wellness programs.

Programs and Services

PEER Support

Led by facilitators who know first hand the issues of our members, this program offers a safe and comfortable environment for people to bond, share, learn, and grow. Peer Support includes intakes and assessments including a comprehensive referral service, support groups, one-on-one support, and social activities.

Education

Being Alive believes that, in order for a person to take charge of his/her medical care, he/she must have access to the current medical information and have access to services. Being Alive accomplishes this goal with regularly published treatment newsletters, educational website, and monthly medical updates.

Wellness

Wellness activities encourage Being Alive members to develop themselves as well-rounded individuals and to explore complimentary approaches to western medicine. Being Alive offers chiropractic and acupuncture clinics, yoga, healing touch, massage, and a ceramics studio to meet those needs.

Prevention

Being Alive's Prevention for Positives Program "Get Real" delivers individual, group and community level interventions that encourage members to adopt high self-esteem and a culture of responsibility. Prevention messages are disseminated to the larger community via Being Alive's Speakers' Bureau as well.

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

Note 1 ORGANIZATION (CONT.)

Advocacy

Being Alive's advocacy program ensures that the voices are heard and factored into a variety of issues. Being Alive's advocacy takes a two-fold approach: first, Being Alive offers advocacy for individuals who are facing barriers to the HIV care system; and second, Being Alive trains peers to engage in educational opportunities with legislators.

Membership

Being Alive primarily serves central metropolitan Los Angeles and some of the surrounding areas. As such, target populations for support programs are gay and bisexual men or "men who have sex with men" (MSM), both MSM of color and Anglo MSM, though Being Alive also serves any and all people living with HIV/AIDS from Los Angeles County. The common thread throughout membership is the historically underserved: the working poor, people of color, homeless and/or mentally ill. In the case of the Speakers' Bureau, the target audience is youth (ages 13-24) of all races, genders and sexual orientations.

Capacity

Being Alive is a volunteer driven organization with over 100 volunteers who help to maintain the core services, including a strong and active working Board of Directors. There are only a small handful of paid staff members. Being Alive has a history of working on a tight budget with a focus on keeping administration and fundraising cost quite low while meeting a great need and serving peers effectively.

Being Alive's purpose is to empower, promote, and coordinate communication, education and cooperation between people with AIDS or diagnosed as zero-positive to HIV.

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting-

The financial statements of Being Alive have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities.

Basis of Presentation-

The accompanying financial statements have been prepared on the basis of accounting principles generally accepted in the United States of America. These standards require that Being Alive 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.

Unrestricted -

The unrestricted class is the portion of the net assets of Being Alive that are not subject to donor-imposed stipulations. The only limits on unrestricted net assets are broad limits resulting from the nature of Being Alive and the purposes specified in its articles of incorporation or bylaws and, perhaps, limits resulting from contractual agreements.

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Temporarily Restricted-

The temporarily restricted class is the portion of the net assets of Being Alive resulting from contributions and other inflows of assets whose use by Being Alive is limited by donor imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Being Alive pursuant to those stipulations. The majority of contributions with restrictions are stipulated to be used as funding for specific production projects. Being Alive has no temporarily restricted net assets at March 31, 2014.

Permanently Restricted-

The permanently restricted class is the portion used to record resources received that are permanently restricted as to use by the donor or grantor. Being Alive has no permanently restricted net assets at March 31, 2014.

Cash and Cash Equivalents-

For the purposes of the financial statement, Being Alive considers all highly liquid debt instruments purchased with a maturity date of three months or less to be cash equivalents.

Accounts Receivable-

Accounts receivable are expected to be collected in full by Being Alive's management. Therefore, no allowance for doubtful accounts have been provided.

Contributions-

In accordance with accounting principles generally accepted in the United States of America, contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Donated Services and Materials-

No amounts have been reflected in the financial statements for donated services. Being Alive generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks that assist Being Alive with the Wellness Center Program including acupuncture services, chiropractic services, massage, yoga and ceramics. Being Alive receives more than 5,000 volunteer hours per year.

Property and Equipment-

Property and equipment are recorded at historical cost and are being depreciated using the straight-line method over the estimated useful life of the assets. The following lives have been assigned:

Improvements	15 years
Furniture, fixtures and equipment	5 years

Expenditures for maintenance, repairs, and renewals of minor items are charged to expense as incurred. Major renewals and improvements are capitalized. Upon disposition, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in operations for the period.

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Deferred Revenue-

Deferred revenue at March 31, 2014 in the amount of \$12,355 consists of an advanced payment for the Spirit of Hope event held subsequent to year end and an advanced payment from the City of West Hollywood.

Income Taxes-

Being Alive is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and is exempt from California franchise taxes under Section 23701(d) of the California Revenue and Taxation Code.

Being Alive files IRS Form 990 and State Forms 199 and RRF-1. Generally accepted accounting principles provide accounting and disclosure guidance about positions taken by an organization in its tax returns that might be uncertain. Being Alive recognizes the effect of income tax positions only if those positions are more likely than not of being sustained. Management of Being Alive does not believe the financial statements include any uncertain tax positions. With few exceptions, Being Alive is no longer subject to U.S. federal and state examinations by tax authorities for the tax years before 2010 and 2011, respectively.

Use of Estimates-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Advertising-

Advertising costs are charged to operations when incurred and are included in functional expenses.

Functional Allocation of Expenses-

The costs of providing the program and the supporting services have been summarized on a functional basis in the statement of activities, and in the statement of functional expenses. Accordingly, certain costs have been allocated between the program and the supporting services in reasonable ratios determined by management.

Summarized Comparative Financial Information-

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Being Alive's financial statements for the year ended March 31, 2013, from which the summarized information was derived.

Subsequent Events-

Management has evaluated subsequent events through February 8, 2016, the date the financial statements were available to be issued.

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2014

Note 3 **FIXED ASSETS**

Fixed assets consists of the following:

Furniture, fixtures and equipment	\$ 1,299
Leasehold improvements	<u>57,871</u>
	59,170
Less: Accumulated depreciation	<u>(22,517)</u>
Total fixed assets, net	<u><u>\$ 36,653</u></u>

Note 4 **COMMITMENTS AND CONTINGENCIES**

Contracts-

Being Alive's grants and contracts are subject to inspection and audit by the appropriate governmental funding agency. The purpose is to determine whether program funds were used in accordance with their respective guidelines and regulations. The potential exists for disallowance of previously funded program costs. The ultimate liability, if any, which may result from these governmental audits cannot be reasonably estimated and accordingly, Being Alive has no provisions for the possible disallowance of program costs on its financial statements.

Note 5 **CASH IN BANK - CONCENTRATION OF CREDIT RISK**

Being Alive maintains its cash balances at a bank. At March 31, 2014, none of the balances maintained at the bank exceeded the insurance limit (\$250,000) as set by the Federal Deposit Insurance Corporation.