

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.

FINANCIAL STATEMENTS

MARCH 31, 2019



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BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
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MARCH 31, 2019

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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, 2019, 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.

Auditors' 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.

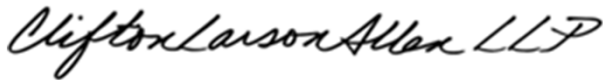
To the Board of Directors
Being Alive/People with AIDS Action Coalition, Inc.

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, 2019, 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.

Report on Summarized Comparative Information

The March 31, 2018 summarized comparative information has been derived from Being Alive's 2018 financial statements and in our report dated June 14, 2019, we expressed an unmodified opinion on those financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended March 31, 2018, is consistent in all material respects, with the audited financial statements from which it has been derived.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Los Angeles, California

August 18, 2020

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2019
WITH COMPARATIVE TOTALS AT MARCH 31, 2018

	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 18,422	\$ 630
Accounts receivable	5,854	32,467
Prepays and other assets	12,459	11,690
TOTAL CURRENT ASSETS	36,735	44,787
Fixed assets, net	23,637	28,993
TOTAL ASSETS	\$ 60,372	\$ 73,780
LIABILITIES		
Current Liabilities		
Bank overdrafts	-	16,913
Accounts payable	1,302	3,329
Accrued vacation	6,166	9,148
TOTAL CURRENT LIABILITIES	7,468	29,390
NET ASSETS		
Without Donor Restrictions	52,904	44,390
TOTAL LIABILITIES AND NET ASSETS	\$ 60,372	\$ 73,780

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, 2019
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2018

	Without Donor Restrictions	With Donor Restrictions	2019	2018
REVENUE AND PUBLIC SUPPORT				
Government grants	\$ 354,144	\$ -	\$ 354,144	\$ 317,153
Contributions	82,173	-	82,173	163,858
Other income	27,908	-	27,908	11,473
TOTAL REVENUE AND PUBLIC SUPPORT	464,225	-	464,225	492,484
EXPENSES				
Program services	392,976	-	392,976	409,775
General and administrative	42,493	-	42,493	41,571
Fundraising	20,242	-	20,242	31,047
TOTAL EXPENSES	455,711	-	455,711	482,393
CHANGE IN NET ASSETS	8,514	-	8,514	10,091
NET ASSETS AT BEGINNING OF YEAR	44,390	-	44,390	34,299
NET ASSETS AT END OF YEAR	\$ 52,904	\$ -	\$ 52,904	\$ 44,390

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, 2019
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2018

	Program Services	Supporting Services		2019	2018
		General and Administrative	Fundraising		
Salaries	\$ 191,324	\$ 17,234	\$ 12,925	\$ 221,483	\$ 215,882
Employee benefits	25,205	1,509	1,207	27,921	40,981
Payroll taxes	16,846	926	740	18,512	19,738
Total salary related expenses	<u>233,375</u>	<u>19,669</u>	<u>14,872</u>	<u>267,916</u>	<u>276,601</u>
Occupancy	88,951	4,260	3,696	96,907	105,641
Consulting	13,687	-	-	13,687	17,966
Accounting	-	11,500	-	11,500	3,884
Insurance	7,637	2,011	336	9,984	10,258
Program incentives	9,698	-	-	9,698	7,047
Wellness center expense	9,189	-	-	9,189	9,124
Office expenses	4,626	3,961	398	8,985	11,233
Telephone and communications	7,616	418	335	8,369	13,865
Outreach and education	5,009	-	-	5,009	3,818
Printing and reproduction	3,850	211	169	4,230	3,789
Equipment, repairs and maintenance	3,045	168	134	3,347	2,356
Volunteer support	922	-	-	922	520
Postage and delivery	497	27	22	546	977
Fundraising expense	-	-	66	66	9,894
Expenses before depreciation	<u>388,102</u>	<u>42,225</u>	<u>20,028</u>	<u>450,355</u>	<u>476,973</u>
Depreciation	<u>4,874</u>	<u>268</u>	<u>214</u>	<u>5,356</u>	<u>5,420</u>
Total expenses 2019	<u>\$ 392,976</u>	<u>\$ 42,493</u>	<u>\$ 20,242</u>	<u>\$ 455,711</u>	
Total expenses 2018	<u>\$ 409,775</u>	<u>\$ 41,571</u>	<u>\$ 31,047</u>		<u>\$ 482,393</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, 2019
WITH COMPARATIVE TOTALS FOR THE YEAR ENDED MARCH 31, 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 8,514	\$ 10,091
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	5,356	5,420
(Increase) decrease in assets:		
Accounts receivable	26,613	(20,215)
Prepays and other assets	(769)	9,347
Increase (decrease) in liabilities:		
Bank overdrafts	(16,913)	6,569
Accounts payable	(2,027)	(11,477)
Accrued vacation	(2,982)	-
Deferred revenue	-	-
	17,792	(265)
NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
NET INCREASE (DECREASE) IN CASH	17,792	(265)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	630	895
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 18,422	\$ 630

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, 2019

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 services as part of its core program.

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, 2019

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 in accordance with accounting principles generally accepted in the United States of America. These principles require that Being Alive report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions.

Net Assets Without Donor Restrictions-

Net Assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

Net Assets With Donor Restrictions-

Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restriction when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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-

Being Alive accounts for contributions in accordance with accounting principles generally accepted in the United States of America. Contributions received are recorded as without donor restrictions and with donor restrictions, depending on the existence and/or nature of any donor restrictions.

Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized.

Being Alive recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met. A portion of Being Alive's revenue is derived from cost reimbursable county and city contracts and grants, which are conditioned upon certain performance requirements and/or the incurrence of allowable qualifying expenses. Amounts received are recognized as revenue when Being Alive has incurred expenditures in compliance with specific contract or grant provisions. Being Alive received cost reimbursable grants of \$54,965 that have not been recognized at March 31, 2019 because qualifying expenditures have not yet been incurred, with no advance payments received or recognized in the statement of financial position as deferred revenue.

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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.

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.

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.

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

Note 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT.)

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.

Adoption of New Accounting Standard-

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly.

In 2019, Being Alive adopted Financial Accounting Standards Board's Accounting Standard (ASU) 2018-08, Accounting Guidance for Contributions Received and Made. This ASU was issued to clarify accounting guidance for contributions received and contributions made. The amendments to this ASU assists entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, Not-for-Profit Entities, or as an exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

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, 2018, from which the summarized information was derived.

Subsequent Events-

Management has evaluated subsequent events through August 18, 2020, the date the financial statements were available to be issued.

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to Being Alive, COVID19 may impact various parts of its 2020 operations and financial results, including grants. Management believes Being Alive is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

BEING ALIVE/PEOPLE WITH AIDS ACTION COALITION, INC.
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2019

Note 3 LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	\$	18,422
Accounts receivable		5,854
		5,854
	\$	24,276

As part of the Being Alive's liquidity management plan, cash in excess of daily requirements is invested in money market funds.

Note 4 FIXED ASSETS

Fixed assets consists of the following:

Furniture, fixtures and equipment	\$	5,902
Leasehold improvements		65,553
		71,455
Less: Accumulated depreciation		(47,818)
		(47,818)
Total fixed assets, net	\$	23,637

Note 5 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 6 CASH IN BANK - CONCENTRATION OF CREDIT RISK

Being Alive maintains its cash balances at a bank. At March 31, 2019, none of the balances maintained at the bank exceeded the insurance limit (\$250,000) as set by the Federal Deposit Insurance Corporation.

