

CARE FOR AIDS, INC.

FINANCIAL STATEMENTS
INDEPENDENT AUDITORS' REPORT
AND
SUPPLEMENTARY INFORMATION
Years Ended December 31, 2019 and 2018

CARE FOR AIDS, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
CARE for AIDS, Inc.
Atlanta, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of CARE for AIDS, Inc. (a Georgia not-for-profit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows, for the years 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 audits. We conducted our audits 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 from 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of CARE for AIDS, Inc. as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Mersereau, Lazenby & Rockas, LLC

Mersereau, Lazenby & Rockas, LLC

Certified Public Accountants

Suwanee, Georgia

October 30, 2020

CARE FOR AIDS, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2019 and 2018

ASSETS		
	2019	2018
CURRENT ASSETS		
Cash	\$ 879,032	\$ 1,101,403
Investments (Note 10)	686,694	775,274
Grants receivable (Note 7)	115,000	-
Other current assets	34,002	117,015
Inventory	8,664	-
Total current assets	1,723,392	1,993,692
PROPERTY AND EQUIPMENT, net (Note 3)	79,118	15,952
TOTAL ASSETS	\$ 1,802,510	\$ 2,009,644
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 20,869	\$ 26,104
Other current liabilities	6,219	4,549
Total current liabilities	27,088	30,653
NET ASSETS		
Without donor restrictions		
Undesignated - expendable	1,290,761	1,347,263
Net invested in property and equipment	79,118	15,952
Total net assets without donor restrictions	1,369,879	1,363,215
Net assets with donor restrictions (Note 8)	405,543	615,776
Total net assets	1,775,422	1,978,991
TOTAL LIABILITIES AND NET ASSETS	\$ 1,802,510	\$ 2,009,644

See auditors' report and accompanying notes to the financial statements

CARE FOR AIDS, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE						
Contributions	\$ 1,347,809	\$ 3,201,374	\$ 4,549,183	\$ 1,123,308	\$ 3,074,565	\$ 4,197,873
In kind contributions (Note 5)	275	-	275	-	59,875	59,875
Total contributions	1,348,084	3,201,374	4,549,458	1,123,308	3,134,440	4,257,748
Book and merchandise sales	32,771	-	32,771	69	-	69
Less cost of goods sold	(19,769)	-	(19,769)	-	-	-
Net book and merchandise sales	13,002	-	13,002	69	-	69
Investment and other income	45,526	-	45,526	15,532	-	15,532
Net assets released from restrictions:						
Satisfaction of program restrictions	3,411,607	(3,411,607)	-	2,558,664	(2,558,664)	-
Total revenue	4,818,219	(210,233)	4,607,986	3,697,573	575,776	4,273,349
EXPENSES						
Program services	3,736,323	-	3,736,323	2,759,594	-	2,759,594
Management and general	363,628	-	363,628	333,986	-	333,986
Fundraising	711,604	-	711,604	483,538	-	483,538
Total expenses	4,811,555	-	4,811,555	3,577,118	-	3,577,118
CHANGE IN NET ASSETS	6,664	(210,233)	(203,569)	120,455	575,776	696,231
NET ASSETS, Beginning of year	1,363,215	615,776	1,978,991	1,242,760	40,000	1,282,760
NET ASSETS, End of year	\$ 1,369,879	\$ 405,543	\$ 1,775,422	\$ 1,363,215	\$ 615,776	\$ 1,978,991

See auditors' report and accompanying notes to the financial statements

CARE FOR AIDS, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2019 and 2018

	2019				2018			
	Program Services	Management & General	Fundraising	Total	Program Services	Management & General	Fundraising	Total
Salaries and benefits	\$ 245,056	\$ 123,736	\$ 523,914	\$ 892,706	\$ 159,310	\$ 146,123	\$ 357,525	\$ 662,958
Advertising and promotion	-	-	71,160	71,160	-	2,049	5,850	7,899
Computers and software	-	2,432	-	2,432	-	1,564	-	1,564
Cost of goods sold	-	19,769	-	19,769	-	-	-	-
Depreciation and amortization	-	27,804	-	27,804	-	1,773	-	1,773
Donor cultivation	-	-	5,367	5,367	-	-	4,446	4,446
Donor events	-	-	31,102	31,102	-	-	59,235	59,235
Dues and subscriptions	-	3,323	-	3,323	-	3,513	-	3,513
Furniture, equipment, and repairs	-	1,133	-	1,133	-	16,018	-	16,018
Grant - Care for Aids Africa	2,840,816	-	-	2,840,816	2,220,495	-	-	2,220,495
Insurance	-	14,639	-	14,639	-	5,929	-	5,929
Miscellaneous	-	1,349	230	1,579	750	10,000	-	10,750
Office supplies	-	7,833	-	7,833	-	7,942	-	7,942
Printing, reproduction, and postage	-	2,431	22,831	25,262	-	14,379	-	14,379
Processing fees and bank charges	-	23,844	-	23,844	-	17,784	-	17,784
Professional fees	-	66,133	18,506	84,639	-	50,405	24,000	74,405
Professional development	50,529	32,704	2,979	86,212	27,847	19,689	5,010	52,546
Rent	-	51,126	-	51,126	-	34,045	-	34,045
Travel	599,922	-	35,515	635,437	351,192	-	27,472	378,664
Utilities and security	-	5,141	-	5,141	-	2,773	-	2,773
Total expenses by function	3,736,323	383,397	711,604	4,831,324	2,759,594	333,986	483,538	3,577,118
Less expenses included with revenues on the statements of activities:								
Cost of goods sold	-	(19,769)	-	(19,769)	-	-	-	-
Total expenses included in the expense section of the statements of activities	<u>\$ 3,736,323</u>	<u>\$ 363,628</u>	<u>\$ 711,604</u>	<u>\$ 4,811,555</u>	<u>\$ 2,759,594</u>	<u>\$ 333,986</u>	<u>\$ 483,538</u>	<u>\$ 3,577,118</u>
Percentage of total expenses	77.4%	7.9%	14.7%	100.0%	77.2%	9.3%	13.5%	100.0%

See auditors' report and accompanying notes to the financial statements

CARE FOR AIDS, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
(Decrease) increase in net assets	\$ (203,569)	\$ 696,231
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	27,804	1,773
Realized/unrealized investment (gain) loss	(5,034)	2,420
Changes in operating assets and liabilities:		
(Increase) decrease in grants receivable	(115,000)	40,000
Decrease (increase) in other current assets	83,013	(116,986)
Increase in inventory	(8,664)	-
(Decrease) increase in accounts payable	(5,236)	1,366
Increase in other current liabilities	1,670	3,651
Net cash (used) provided by operating activities	(225,016)	628,455
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of fixed assets	-	(17,725)
Costs incurred for intangible asset	(90,970)	-
Purchase of investments	(210,589)	(777,694)
Proceeds from sales of investments	304,204	-
Net cash provided (used) by investing activities	2,645	(795,419)
 NET DECREASE IN CASH	(222,371)	(166,964)
 CASH, Beginning of year	1,101,403	1,268,367
 CASH, End of year	\$ 879,032	\$ 1,101,403

See auditors' report and accompanying notes to the financial statements

CARE FOR AIDS, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Activities

CARE for AIDS, Inc. (the “Organization” or “CFA”) is a not-for-profit organization that exists to empower people to live a life beyond AIDS. This is accomplished through grant making, advocacy and storytelling to increase US engagement with the AIDS epidemic in Africa. The Organization provides grants to its sister entities, Care for HIV/AIDS Organization, a Kenyan non-governmental organization (NGO) and Care for HIV/AIDS Foundation, a Tanzanian NGO (collectively referred to as “CFA-Africa”). CFA-Africa operates life-transforming centers in East African churches that meet the physical, spiritual, emotional, social, and economic needs of HIV-positive men and women. Clients participate in a nine-month program where they receive counseling, medical and nutritional support, vocational training, spiritual care, and more. Through this process, clients are empowered to live long, healthy, productive lives and are able to raise and educate their children. Other activities to accomplish the mission include community HIV education and testing. Through these individual and community interventions, stigma is decreased and economic productivity is increased. The Organization is supported primarily through donor contributions.

Basis of Presentation

The accompanying financial statements have been prepared in accordance with US generally accepted accounting principles (“US GAAP”), which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Organization.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors. Some donor restrictions are temporary in nature and will be met by actions of the Organization or with the passage of time. Net assets in this class include contributions and gifts for restricted purposes (such as a specific center or impact trip). Other donor restrictions are perpetual in nature, whereby the donor has stipulated that the funds be maintained in perpetuity. The Organization currently has no such funds held in perpetuity.

Basis of Accounting

The accompanying financial statements are presented on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Cash

Cash includes all monies in banks, cash in a brokerage account, and deposits in transit. Accounts maintained by banks are insured by the Federal Deposit Insurance Corporation up to \$250,000. At December 31, 2019 and 2018, deposits in excess of federally insured limits were approximately \$404,000 and \$574,000 respectively. Management believes it is not exposed to any significant credit risk on cash, although its balance has, at times, exceeded federally insured limits.

Promises to Give

Unconditional promises to give are recognized as revenues or gains in the period received and as assets, decreases of liabilities, or expenses, depending on the form of the benefits received.

CARE FOR AIDS, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Property and Equipment

Items capitalized as property and equipment are stated at cost or, if donated, at fair market value on the date of donation. The Organization generally capitalizes and reports property and equipment acquisitions in excess of \$3,000. Expenditures for repairs and maintenance are charged to expense as incurred, and additions and improvements that significantly extend the lives of assets are capitalized at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to five years. Items capitalized as intangible assets are recorded at cost incurred to place the asset into service. Amortization is computed using a double-declining balance method over the useful life of the asset. For the years ended December 31, 2019 and 2018, depreciation and amortization expense of \$27,804 and \$1,773 was recorded.

The Organization operates under a bring-your-own-device IT policy where employees provide their own computers. There is a \$500 per employee, once every five years reimbursement available for new computer purchases, but the reimbursement is expensed when paid.

Support, Revenue, and Reclassifications

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of other assets are transferred to the Organization.

Gifts of cash and other assets are reported as support with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts. When a stipulated time restriction ends or purpose restriction is satisfied, revenue with donor restrictions is reclassified to revenue without donor restrictions and reported in the statements of activities as reclassifications.

Functional Expenses

The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Costs incurred are reported according to the function (program, management and general, and fundraising) which they benefit. Salaries and benefits are allocated to functions based on personnel time and responsibilities. Other costs are recorded directly according to their function when incurred.

Donated Assets

Donated marketable securities and other in-kind donations are recorded as contributions at their estimated fair values at the date of donation. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Income Taxes

The Organization is exempt from federal and state income taxes under Internal Revenue Code Section 501(c)(3) and the Georgia Revenue and Taxation Code, though subject to tax on income unrelated to its exempt purpose, unless that income is specifically excluded by the Code.

The Organization has not recognized any liability for unrecognized tax benefits, as it has no known uncertain tax positions that would subject them to any material income tax exposure.

CARE FOR AIDS, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Use of Estimates

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Revenue Recognition

Contributions are recorded as support with or without donor restrictions when an unconditional promise to give is received, depending on the existence and/or nature of any donor restrictions. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

All donor-restricted support is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Investments

Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position. Changes in fair value, along with interest and dividends, are reported as other income in the statements of activities. Purchases and sales of securities are reflected on a trade-date basis. See Note 10 for further discussion and determination of fair value.

NOTE 2: AVAILABILITY AND LIQUIDITY

	2019	2018
Financial assets at year-end		
Cash	\$ 879,032	\$ 1,101,403
Investments	686,694	775,274
Grant and other receivables	115,000	-
Other current assets	34,002	117,015
Total financial assets	1,714,728	1,993,692
Less amounts not available to be used within one year		
Deposits	(5,652)	(8,072)
Prepaid book project expenses	-	(51,326)
	(5,652)	(59,398)
Financial assets available to meet general expenditures within one year	\$ 1,709,076	\$ 1,934,294

The Organization receives significant revenue restricted by donors and considers revenue restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. For the years ended December 31, 2019 and 2018, assets with donor restrictions of \$405,543 and \$615,776, respectively, were included in financial assets available to meet cash needs for general expenditures within one year.

CARE FOR AIDS, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

NOTE 2: AVAILABILITY AND LIQUIDITY (continued)

The Organization regularly monitors liquidity required to meet its operating needs and other commitments. Board policies are in place to guard against the risk of financial jeopardy and require management to use multi-year planning. One policy states that, if unrestricted, undesignated net asset reserves drop below 90 days of operating expenses, five percent of gross revenues will be allocated to that reserve until the 90-day threshold is met. To achieve these targets, the entity forecasts its future cash flows and monitors its liquidity quarterly, and monitors its reserves annually. During the years ended December 31, 2019 and 2018, the level of liquidity and reserves was managed within the policy requirements.

In addition to financial assets available to meet general expenditures over the next 12 months, the Board requires management to operate with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures which are not funded by donor restricted resources with unrestricted contributions.

NOTE 3: PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of December 31:

	2019	2018
Furniture and fixtures	\$ 7,925	\$ 7,925
Leasehold improvements	9,800	9,800
Intangible asset	90,970	-
Total property and equipment	108,695	17,725
Less accumulated depreciation and amortization	(29,577)	(1,773)
Net property and equipment	\$ 79,118	\$ 15,952

The intangible asset consists of costs incurred to produce a book co-authored by the executive director. The book was completed in May of 2019 and seeks to tell the story of the Organization and promote its mission.

NOTE 4: OPERATING LEASES

Until April of 2018, the Organization leased office space two and a half days a week under a 12-month lease. Rental expense under this lease was \$5,900 for the year ended December 31, 2018.

In April of 2018, the Organization entered into a 62-month operating lease agreement for different office space. Rental expense under this new agreement was \$50,017 and \$28,146 for the years ended December 31, 2019 and 2018, respectively.

Future minimum rental payments required under the lease in excess of one year are as follows:

<u>Years Ending December 31,</u>	
2020	\$ 37,510
2021	38,635
2022	39,794
2023	16,903
2024	-
Total	\$ 132,842

CARE FOR AIDS, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

NOTE 4: OPERATING LEASES (continued)

Further, the Organization entered into sublease agreements with other exempt organizations. For the years ended December 31, 2019 and 2018, sublease rental revenue was \$15,300 and \$8,000, respectively, and is reported in other income in the statements of activities.

NOTE 5: IN KIND CONTRIBUTIONS

In kind contributions of \$275 and \$59,875 for the years ended December 31, 2019 and 2018, respectively, have been recognized in revenue. The Organization recognized \$59,875 in 2018 for approximately 272,160 meals donated to the Organization. The food is distributed to program participants during the course of their time in the program. A matching amount is reported as a component of other current assets, as the food shipment had not yet been delivered as of December 31, 2018.

Several volunteers have made significant contributions of their time to CFA's mission. These services are not reflected in the accompanying statements of activities because they do not meet the necessary criteria for recognition under US GAAP.

NOTE 6: RETIREMENT BENEFITS

The Organization provides retirement benefits through a SIMPLE IRA arrangement. Full-time employees are eligible for 3% matching employer contributions. In 2019 and 2018, the Organization incurred related expenses of \$12,713 and \$10,400, respectively.

NOTE 7: GRANTS RECEIVABLE

The Organization records grants receivable when awards are made and considered unconditional promises to give. Two grants receivable were recorded in 2019 and subsequently received in January 2020.

NOTE 8: NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions, contributions, and releases were as follows:

	Balance December 31, 2018	Restricted Contributions	Releases	Balance December 31, 2019
Specific aids relief centers	\$ -	\$ -	\$ -	\$ -
Africa operations	615,776	2,634,761	(2,844,994)	405,543
Impact trips	-	566,613	(566,613)	-
Total	\$ 615,776	\$ 3,201,374	\$ (3,411,607)	\$ 405,543

	Balance December 31, 2017	Restricted Contributions	Releases	Balance December 31, 2018
Specific aids relief centers	\$ 40,000	\$ 111,330	\$ (151,330)	\$ -
Africa operations	-	2,715,837	(2,100,061)	615,776
Impact trips	-	307,273	(307,273)	-
Total	\$ 40,000	\$ 3,134,440	\$ (2,558,664)	\$ 615,776

CARE FOR AIDS, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

NOTE 9: GRANT EXPENSE - CARE FOR AIDS AFRICA

Grant – Care for Aids Africa expense represents cash and food sent to Africa for program operations. As described in Note 1, CFA-Africa operated 68 and 54 program centers at December 31, 2019 and 2018, respectively. The attached supplemental Schedule of Grant Expenditures as Reported by Recipient provides detail of December 31, 2019 and 2018 CFA-Africa’s expenditures. It also provides summarized reconciliation information that accounts for timing differences between grant expenditures reported in the financial statements.

NOTE 10: FAIR VALUE MEASUREMENTS

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. US GAAP establishes a hierarchy of inputs to valuation of that price using three levels:

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in inactive markets for identical assets or liabilities, or model-derived valuations which rely on significant observable inputs.

Level 3 - Valuation techniques that rely on significant unobservable inputs.

The following sets forth by level, within the fair value hierarchy, the Organization’s assets at fair value as of December 31, 2019 and 2018:

	Balance	Fair Value Measurements Using		
	December 31, 2019	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash	\$ 879,032	\$ 879,032	\$ -	\$ -
Investments				
Exchange traded funds	\$ 562,644	\$ 562,644	\$ -	\$ -
Mutual funds	124,050	124,050	-	-
Total investments	\$ 686,694	\$ 686,694	\$ -	\$ -

	Balance	Fair Value Measurements Using		
	December 31, 2018	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Cash	\$ 1,101,403	\$ 1,101,403	\$ -	\$ -
Investments				
Exchange traded funds	\$ 638,137	\$ 638,137	\$ -	\$ -
Mutual funds	137,137	137,137	-	-
Total investments	\$ 775,274	\$ 775,274	\$ -	\$ -

CARE FOR AIDS, INC.
NOTES TO THE FINANCIAL STATEMENTS
Years Ended December 31, 2019 and 2018

NOTE 11: RECLASSIFICATIONS

Certain prior year amounts have been reclassified to conform with current year presentation. Total changes in net assets were not affected.

NOTE 12: SUBSEQUENT EVENTS

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a “Public Health Emergency of International Concern”. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on donors, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact financial condition or results of operations is uncertain.

CFA has evaluated subsequent events through October 30, 2020, which is the date the financial statements were available to be issued. CFA is not aware of any material subsequent events that require disclosure in the financial statements.

SUPPLEMENTARY INFORMATION



Mersereau, Lazenby & Rockas, LLC

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INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY INFORMATION

Board of Directors
CARE for AIDS, Inc.
Atlanta, Georgia

Report on the Financial Statements

We have audited the accompanying financial statements of CARE for AIDS, Inc. as of December 31, 2019 and 2018, and our report thereon dated October 30, 2020, which expressed an unmodified opinion on those financial statements appears on page 2. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole.

The Schedule of Grant Expenditures as Reported by Recipient, for the years ended December 31, 2019 and 2018, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Mersereau, Lazenby & Rockas, LLC

Mersereau, Lazenby & Rockas, LLC
Certified Public Accountants
Suwanee, Georgia
October 30, 2020

CARE FOR AIDS, INC.
SCHEDULE OF GRANT EXPENDITURES AS REPORTED BY RECIPIENT
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Salaries and wages	\$ 1,178,304	\$ 850,667
Center set up costs	54,582	22,954
General and administrative	325,425	237,556
Direct food assistance costs	554,408	505,539
Graduation	33,171	12,453
Medicine	70,795	155,076
Professional fees	13,314	10,771
Repairs and maintenance	16,243	3,507
Seminars and teaching material	171,335	164,835
Solai relief fund	-	12,119
Staff development	134,771	141,635
Travel and impact trip	234,649	203,207
World Aids Day	5,822	-
Total local expenses	<u>2,792,819</u>	<u>2,320,319</u>
Recipient changes in cash and other accruals	<u>47,997</u>	<u>(99,824)</u>
Total grant expense - Care for Aids Africa	<u><u>\$ 2,840,816</u></u>	<u><u>\$ 2,220,495</u></u>

See auditors' report and accompanying notes to the financial statements