



**VERMONT COMMITTEE FOR A.I.D.S. RESOURCES,
EDUCATION AND SERVICES**

FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

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EDUCATION AND SERVICES

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VT License #92-0000171

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Vermont Committee for A.I.D.S. Resources,
Education and Services
Burlington, Vermont

We have audited the accompanying financial statements of Vermont Committee for A.I.D.S. Resources, Education and Services (Vermont CARES), a nonprofit organization, which comprise the statements of financial position as of September 30, 2018 and 2017, 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.

Auditor's 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 audits 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 Vermont CARES as of September 30, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Substantial Doubt about the Organization's Ability to Continue as a Going Concern

The accompanying financial statements have been prepared assuming that the Organization will continue as a going concern. As discussed in Note 11 to the financial statements, the Organization has a net deficiency in net assets, and has stated that substantial doubt exists about its ability to continue as a going concern. Management's evaluation of the events and conditions and management's plans regarding those matters are also described in Note 11. The financial statements do not include any adjustments that might result from the outcome of this uncertainty. Our opinion is not modified with respect to this matter.

Jmm & Associates

July 11, 2019

VERMONT COMMITTEE FOR A.I.D.S. RESOURCES, EDUCATION AND SERVICES

STATEMENTS OF FINANCIAL POSITION

SEPTEMBER 30, 2018 AND 2017

ASSETS

	<u>2018</u>	<u>2017</u>
CURRENT ASSETS		
Cash	\$ 5,784	\$ 1,973
Grants receivable	48,027	26,532
Other receivables	1,693	5,177
TOTAL CURRENT ASSETS	<u>55,504</u>	<u>33,682</u>
PROPERTY AND EQUIPMENT		
Furniture and equipment	104,204	102,804
Less accumulated depreciation	<u>(60,049)</u>	<u>(52,681)</u>
TOTAL PROPERTY AND EQUIPMENT	<u>44,155</u>	<u>50,123</u>
OTHER ASSET		
Prepaid deposits	<u>2,000</u>	<u>2,000</u>
TOTAL OTHER ASSET	<u>2,000</u>	<u>2,000</u>
TOTAL ASSETS	<u>\$ 101,659</u>	<u>\$ 85,805</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts payable	\$ 25,481	\$ 18,783
Accrued salaries and related liabilities	21,560	17,406
Accrued vacation	8,528	9,531
Deferred revenue	51,253	-
Note payable - line of credit	75,000	75,000
Note payable - related party loan	<u>-</u>	<u>3,000</u>
TOTAL CURRENT LIABILITIES	<u>181,822</u>	<u>123,720</u>
TOTAL LIABILITIES	<u>181,822</u>	<u>123,720</u>
NET ASSETS (DEFICIT)		
Unrestricted	(94,395)	(68,429)
Temporarily restricted	<u>14,232</u>	<u>30,514</u>
TOTAL NET ASSETS (DEFICIT)	<u>(80,163)</u>	<u>(37,915)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 101,659</u>	<u>\$ 85,805</u>

See accompanying notes.

VERMONT COMMITTEE FOR A.I.D.S. RESOURCES, EDUCATION AND SERVICES

STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CHANGE IN UNRESTRICTED NET ASSETS		
SUPPORT AND REVENUE		
Government grants	\$ 740,388	\$ 663,603
Grants - local	3,360	3,860
Program fees	42,280	151,254
Foundation grants	33,062	71,500
Special events	24,998	48,778
Contributions	34,207	31,389
Donated services	3,240	10,800
United Way	1,855	3,675
Miscellaneous	7,241	-
	<u>890,631</u>	<u>984,859</u>
Net assets released from restrictions	84,782	52,220
	<u>975,413</u>	<u>1,037,079</u>
TOTAL SUPPORT AND REVENUE		
EXPENSES		
Program services	925,748	892,573
General and administrative	36,086	47,652
Fundraising	39,545	73,953
	<u>1,001,379</u>	<u>1,014,178</u>
TOTAL EXPENSES		
CHANGE IN UNRESTRICTED NET ASSETS	(25,966)	22,901
BEGINNING UNRESTRICTED NET ASSETS (DEFICIT)	<u>(68,429)</u>	<u>(91,330)</u>
ENDING UNRESTRICTED NET ASSETS (DEFICIT)	<u>\$ (94,395)</u>	<u>\$ (68,429)</u>

See accompanying notes.

VERMONT COMMITTEE FOR A.I.D.S. RESOURCES, EDUCATION AND SERVICES

STATEMENTS OF ACTIVITIES (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS		
Foundation grants	\$ 68,500	\$ 17,500
Net assets released from restrictions	<u>(84,782)</u>	<u>(52,220)</u>
CHANGE IN TEMPORARILY RESTRICTED NET ASSETS	(16,282)	(34,720)
BEGINNING TEMPORARILY RESTRICTED NET ASSETS	<u>30,514</u>	<u>65,234</u>
ENDING TEMPORARILY RESTRICTED NET ASSETS	<u>\$ 14,232</u>	<u>\$ 30,514</u>
TOTAL CHANGE IN NET ASSETS		
Unrestricted	\$ (25,966)	\$ 22,901
Temporarily restricted	<u>(16,282)</u>	<u>(34,720)</u>
	<u>\$ (42,248)</u>	<u>\$ (11,819)</u>

See accompanying notes.

VERMONT COMMITTEE FOR A.I.D.S. RESOURCES, EDUCATION AND SERVICES

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2018
(WITH COMPARATIVE TOTALS FOR 2017)

	Direct Program Services	Prevention Services	Client Assistance Fund	Total Program Services
Salaries	\$ 322,662	\$ 93,968	\$ -	\$ 416,630
Employee benefits	68,935	20,076	-	89,011
Payroll taxes	30,268	8,815	-	39,083
Subtotal - personnel costs	421,865	122,859	-	544,724
Client assistance	-	-	140,550	140,550
Program supplies	-	81,067	-	81,067
Occupancy	38,749	11,285	-	50,034
Travel	17,016	8,942	-	25,958
Office expenses	19,081	5,633	-	24,714
Professional services	18,914	5,508	-	24,422
Insurance	11,202	3,262	-	14,464
Events	-	-	-	-
Interest and bank fees	3,565	1,038	-	4,603
Volunteer training	-	4,037	-	4,037
Staff development	1,131	944	-	2,075
Advertising	1,680	489	-	2,169
Miscellaneous	-	153	-	153
Clinical trial fees	-	-	-	-
TOTAL EXPENSES BEFORE DEPRECIATION	533,203	245,217	140,550	918,970
DEPRECIATION	5,249	1,529	-	6,778
TOTAL EXPENSES	\$ 538,452	\$ 246,746	\$ 140,550	\$ 925,748

See accompanying notes.

	General and Administrative	Fundraising	Total Support Services	2018 Total	2017 Total
Salaries	\$ 21,511	\$ 14,718	\$ 36,229	\$ 452,859	\$ 500,011
Employee benefits	4,596	3,144	7,740	96,751	98,189
Payroll taxes	2,018	1,381	3,399	42,482	47,315
Subtotal - personnel costs	28,125	19,243	47,368	592,092	645,515
Client assistance	-	-	-	140,550	104,272
Program supplies	-	-	-	81,067	51,636
Occupancy	2,583	1,767	4,350	54,384	49,756
Travel	772	2,103	2,875	28,833	31,778
Office expenses	1,473	874	2,347	27,061	30,739
Professional services	1,261	863	2,124	26,546	34,550
Insurance	747	511	1,258	15,722	11,027
Events	-	13,705	13,705	13,705	13,842
Interest and bank fees	238	163	401	5,004	5,740
Volunteer training	-	-	-	4,037	4,397
Staff development	425	-	425	2,500	6,904
Advertising	112	77	189	2,358	6,731
Miscellaneous	-	-	-	153	1,307
Clinical trial fees	-	-	-	-	11,839
TOTAL EXPENSES BEFORE DEPRECIATION	35,736	39,306	75,042	994,012	1,010,033
DEPRECIATION	350	239	589	7,367	4,145
TOTAL EXPENSES	\$ 36,086	\$ 39,545	\$ 75,631	\$ 1,001,379	\$ 1,014,178

See accompanying notes.

VERMONT COMMITTEE FOR A.I.D.S. RESOURCES, EDUCATION AND SERVICES

STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED SEPTEMBER 30, 2017

	Direct Program Services	Prevention Services	Client Assistance Fund	Total Program Services
Salaries	\$ 283,756	\$ 151,253	\$ -	\$ 435,009
Employee benefits	55,722	29,703	-	85,425
Payroll taxes	26,851	14,313	-	41,164
Subtotal - personnel costs	366,329	195,269	-	561,598
Client assistance	-	-	104,272	104,272
Program supplies	-	51,636	-	51,636
Occupancy	28,237	15,051	-	43,288
Professional services	19,607	10,451	-	30,058
Travel	16,998	13,435	-	30,433
Office expenses	16,703	7,505	-	24,208
Events	-	-	-	-
Clinical trial fees	-	11,839	-	11,839
Insurance	6,258	3,336	-	9,594
Staff development	1,480	4,018	-	5,498
Advertising	3,820	2,036	-	5,856
Interest and bank fees	3,258	1,736	-	4,994
Volunteer training	4,397	-	-	4,397
Miscellaneous	48	1,248	-	1,296
TOTAL EXPENSES BEFORE DEPRECIATION	467,135	317,560	104,272	888,967
DEPRECIATION	2,352	1,254	-	3,606
TOTAL EXPENSES	<u>\$ 469,487</u>	<u>\$ 318,814</u>	<u>\$ 104,272</u>	<u>\$ 892,573</u>

See accompanying notes.

	General and Administrative	Fundraising	Total Support Services	2017 Total
Salaries	\$ 27,501	\$ 37,501	\$ 65,002	\$ 500,011
Employee benefits	5,400	7,364	12,764	98,189
Payroll taxes	2,602	3,549	6,151	47,315
Subtotal - personnel costs	35,503	48,414	83,917	645,515
Client assistance	-	-	-	104,272
Program supplies	-	-	-	51,636
Occupancy	2,736	3,732	6,468	49,756
Professional services	1,901	2,591	4,492	34,550
Travel	299	1,046	1,345	31,778
Office expenses	4,282	2,249	6,531	30,739
Events	-	13,842	13,842	13,842
Clinical trial fees	-	-	-	11,839
Insurance	606	827	1,433	11,027
Staff development	1,406	-	1,406	6,904
Advertising	370	505	875	6,731
Interest and bank fees	316	430	746	5,740
Volunteer training	-	-	-	4,397
Miscellaneous	5	6	11	1,307
TOTAL EXPENSES BEFORE DEPRECIATION	47,424	73,642	121,066	1,010,033
DEPRECIATION	228	311	539	4,145
TOTAL EXPENSES	\$ 47,652	\$ 73,953	\$ 121,605	\$ 1,014,178

See accompanying notes.

VERMONT COMMITTEE FOR A.I.D.S. RESOURCES, EDUCATION AND SERVICES

STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from federal, state and local grants	\$ 773,506	\$ 681,321
Cash received from contributors and other grants	162,622	175,342
Other operating cash receipts	53,005	168,077
Cash paid for personnel	(588,941)	(653,045)
Cash paid to suppliers for goods and services	(386,978)	(329,313)
Interest paid	(5,004)	(5,740)
	<u>8,210</u>	<u>36,642</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(1,399)	(49,971)
	<u>(1,399)</u>	<u>(49,971)</u>
NET CASH USED BY INVESTING ACTIVITIES		
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from line of credit	300,000	240,330
Payments on line of credit	(300,000)	(235,330)
Proceeds from related party loans	8,300	64,000
Payments on related party loans	(11,300)	(61,000)
	<u>(3,000)</u>	<u>8,000</u>
NET CASH PROVIDED (USED) BY FINANCING ACTIVITIES		
INCREASE (DECREASE) IN CASH	3,811	(5,329)
BEGINNING CASH	<u>1,973</u>	<u>7,302</u>
ENDING CASH	<u>\$ 5,784</u>	<u>\$ 1,973</u>

See accompanying notes.

VERMONT COMMITTEE FOR A.I.D.S. RESOURCES, EDUCATION AND SERVICES

STATEMENTS OF CASH FLOWS (CONTINUED)

FOR THE YEARS ENDED SEPTEMBER 30, 2018 AND 2017

	<u>2018</u>	<u>2017</u>
RECONCILIATION OF CHANGE IN NET ASSETS TO NET CASH PROVIDED BY OPERATING ACTIVITIES		
Change in net assets	\$ (42,248)	\$ (11,819)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,367	4,145
(Increase) decrease in:		
Grants receivable	(21,495)	33,330
Bequest receivable	-	2,500
Other receivables	3,484	16,823
Increase (decrease) in:		
Accounts payable	6,698	16,665
Accrued salaries and related liabilities	4,154	(4,395)
Accrued vacation	(1,003)	(3,135)
Prepaid expenses	-	2,000
Deferred revenue	51,253	(19,472)
Total adjustments	<u>50,458</u>	<u>48,461</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>\$ 8,210</u>	<u>\$ 36,642</u>

See accompanying notes.

VERMONT COMMITTEE FOR A.I.D.S. RESOURCES, EDUCATION AND SERVICES

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Operations

Vermont Committee for A.I.D.S. Resources, Education and Services (Vermont CARES) is an independent, nonprofit corporation formed in 1986 to support Vermonters living with HIV/A.I.D.S. Vermont CARES continues to provide advocacy and support which will improve the quality of life of those infected and affected with HIV/A.I.D.S. disease, and endeavors to prevent the spread of the virus through education of the community at large. Vermont CARES has offices located in Burlington, Montpelier, St. Johnsbury, Rutland, Barre, and Colchester, Vermont. Vermont CARES receives revenue primarily through federal, state and foundation grants, the United Way, and individual contributions.

Income taxes

Vermont CARES is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code, and is exempt from federal income taxes on income related to its exempt purpose as a public charity pursuant to Section 501(a) of the Code.

Vermont CARES does not believe there are any material uncertain tax positions and, accordingly, it will not recognize any liability for unrecognized tax benefits.

Cash and investments

For purposes of reporting cash flows, cash and cash equivalents include cash on hand, amounts on deposit in financial institutions and other short-term investments with original maturities of three months or less. Cash and cash equivalents are stated at cost, which approximates market value.

Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets 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. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets in the Statements of Activities as net assets released from restrictions.

Financial statement presentation

Vermont CARES is required to 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. There were no permanently restricted net assets as of September 30, 2018 or 2017.

VERMONT COMMITTEE FOR A.I.D.S. RESOURCES, EDUCATION AND SERVICES

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Donated services

Vermont CARES receives noncash contributions in the form of volunteers performing various clerical functions to support various program and support activities. Contributed professional services are recognized at fair market value if the services rendered (a) create or enhance long-lived assets or (b) require specialized skills, and would typically need to be purchased if not provided by donation. The Organization recognized \$3,240 and \$10,800 in donated IT services for the years ended September 30, 2018 and 2017, respectively. Unrecognized donated services totaled 2,560 and 3,272 volunteer hours for the years ended September 30, 2018 and 2017, respectively.

Property and equipment

It is the policy of Vermont CARES to capitalize items with a value of \$500 or more. Property and equipment are stated at cost if purchased. Donations of property and equipment are recorded as support at their estimated market value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, Vermont CARES reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. Vermont CARES reclasses temporarily restricted net assets to unrestricted net assets at that time. Depreciation is computed using the straight-line method over the estimated useful lives. Depreciation expense was \$7,367 and \$4,145 for the years ended September 30, 2018 and 2017, respectively.

Functional allocation of expenses

Vermont CARES' expenses are presented on a functional basis, showing basic program activities and support services. Vermont CARES allocates expenses based on the organizational cost centers in which the expenses are incurred. In certain instances, expenses are allocated between support functions and program services based on an analysis of personnel time.

Advertising

Advertising costs are charged to expense when incurred. Advertising costs were \$2,358 and \$6,731 for the years ended September 30, 2018 and 2017, respectively.

Reclassifications

Certain amounts in prior year financial statements have been reclassified for comparative purposes to conform with the presentation in current year financial statements.

VERMONT COMMITTEE FOR A.I.D.S. RESOURCES, EDUCATION AND SERVICES

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

1) SUMMARY OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (continued)

Accounts receivable

Accounts receivable are stated at unpaid balances, less an allowance for doubtful accounts. The Organization provides for losses on accounts receivable using the allowance method. The allowance method is based on experience, third-party contracts and other circumstances which may affect the ability of third parties to meet their obligations. Receivables are considered impaired if full principal payments are not received in accordance with contractual terms. It is the Organization's policy to charge off uncollectible accounts receivable when management determines the receivable will not be collected.

Comparative financial information

The financial statements include certain prior year, summarized comparative information in total, but not by function. Accordingly, such information should be read in conjunction with Vermont CARES' financial statements for the year ended September 30, 2017, from which the summarized information was derived.

2) GRANTS RECEIVABLE

Grants receivable represent grants and gifts payable in less than one year. Due to their current nature, no allowance is deemed necessary.

3) OTHER RECEIVABLES

Other receivables represent amounts due for services. Due to their current nature, no allowance is deemed necessary. One hundred percent of the Organization's accounts receivable were from one customer.

4) LINE OF CREDIT

Vermont CARES has a line-of-credit agreement which is guaranteed by all assets of the Organization. The line of credit bears interest at the Wall Street Journal Prime Rate plus 1.5% (6.75% and 5.75% at September 30, 2018 and 2017, respectively) and has a maximum amount available of \$75,000. The line of credit matured in July 2018 and was renewed for another year, but was subsequently renegotiated under a separate agreement on October 1, 2018. The new agreement increased the maximum amount available to \$100,000. Renewal is contingent on the bank's annual review and payable upon demand. The amount outstanding on the line of credit was \$75,000 at September 30, 2018 and 2017.

5) CONCENTRATION OF GRANT REVENUE

Vermont CARES recognized approximately 77% and 66% of its total support and revenue from federal and state grants in fiscal years 2018 and 2017, respectively. Any significant decrease in that funding could have a severe negative impact on the Organization.

VERMONT COMMITTEE FOR A.I.D.S. RESOURCES, EDUCATION AND SERVICES

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

6) DEFERRED REVENUE

Deferred revenue consisted of the following at September 30:

	<u>2018</u>	<u>2017</u>
Narcan training	<u>\$ 51,253</u>	<u>\$ -</u>

7) LEASES

Vermont CARES has several noncancelable operating leases, primarily for rental space and various forms of equipment, that expire at various dates through June 2021. The leases generally contain renewal options for periods ranging from one to five years, and require the Organization to pay all executory costs such as taxes, maintenance and insurance. Rental expenses for the noncancelable leases were \$49,947 and \$45,723 for the years ended September 30, 2018 and 2017, respectively.

Future minimum lease payments, including common area maintenance fees under all operating leases, are as follows for the years ending September 30:

2019	\$ 49,900
2020	36,300
2021	<u>8,300</u>
	<u>\$ 94,500</u>

8) RESTRICTED NET ASSETS

Temporarily restricted net assets are available to support a future period or a specific activity not completed by Vermont CARES. Temporarily restricted net assets are as follows as of September 30:

	<u>2018</u>	<u>2017</u>
Future programs	<u>\$ 14,232</u>	<u>\$ 30,514</u>

9) COMMITMENTS AND CONTINGENCIES

Grants and contracts require the fulfillment of certain conditions as set forth in the instrument of the grant or contract. Failure to fulfill the conditions could result in the return of funds to the grantors. Although that is a possibility, management deems the contingency remote since by accepting the awards and their terms, it has accommodated objectives to the provisions of the gift.

VERMONT COMMITTEE FOR A.I.D.S. RESOURCES, EDUCATION AND SERVICES

NOTES TO FINANCIAL STATEMENTS

SEPTEMBER 30, 2018 AND 2017

10) RELATED PARTY LOANS

During the year ended September 30, 2018, Vermont CARES borrowed a total of \$8,300 from an individual and a staff member. During the year ended September 30, 2017, one officer and one staff member loaned Vermont CARES a total of \$64,000. Related party loan balances were \$0 and \$3,000 at September 30, 2018 and 2017, respectively.

11) GOING CONCERN

As indicated in the accompanying financial statements, Vermont CARES incurred a decrease in net assets of \$42,248 during the year ended September 30, 2018. As of that date, the Organization's currently liabilities exceeded its current assets by \$126,318. These factors create substantial doubt about the Organization's ability to continue as a going concern for the year following the date the financial statements are available to be issued.

The Board of Directors and management team of Vermont CARES acknowledges these conditions, and will continue efforts to increase net assets. The Organization is increasing fundraising and grant-writing capacity, including the use of board members and volunteer staff to support events and grant writing, with a shared goal of increasing nonrestricted revenue and decreasing expenses. Through these means, the Organization hopes to address the net asset deficit and build reserves. The financial statements do not include any adjustments that might be necessary if the Organization is unable to continue as a going concern.

12) SUBSEQUENT EVENTS

As described in Note 4, Vermont CARES negotiated a new line of credit agreement on October 1, 2018. The new agreement increased the maximum amount available to \$100,000.

Vermont CARES has evaluated events and transactions for potential recognition or disclosure through July 11, 2019, the date the financial statements were available to be issued.