

**FOUNDATION FOR ATLANTA VETERANS  
EDUCATION AND RESEARCH, INC.**

**FINANCIAL REPORT**

**DECEMBER 31, 2021**

**FOUNDATION FOR ATLANTA VETERANS  
EDUCATION AND RESEARCH, INC.**

**FINANCIAL REPORT  
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**TABLE OF CONTENTS**

**Page**

<b>INDEPENDENT AUDITOR'S REPORT</b> .....	<b>1 and 2</b>
<b>FINANCIAL STATEMENTS</b>	
<b>Statements of financial position</b> .....	<b>3</b>
<b>Statements of activities</b> .....	<b>4 and 5</b>
<b>Statements of functional expenses</b> .....	<b>6 and 7</b>
<b>Statements of cash flows</b> .....	<b>8</b>
<b>Notes to financial statements</b> .....	<b>9-14</b>
<b>SUPPLEMENTARY INFORMATION</b>	
<b>Schedule of expenditures of federal awards</b> .....	<b>15</b>
<b>Notes to schedule of expenditures of federal awards</b> .....	<b>16</b>
<b>INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS</b> .....	<b>17 and 18</b>
<b>INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE</b> .....	<b>19-21</b>
<b>Schedule of findings and questioned costs</b> .....	<b>22 and 23</b>
<b>Schedule of prior audit findings and questioned costs</b> .....	<b>24</b>
<b>Schedule of state contractual assistance - Georgia Department of Public Health</b> .....	<b>25</b>



## INDEPENDENT AUDITOR'S REPORT

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To the Board of Directors  
Foundation for Atlanta Veterans Education and Research, Inc.  
Atlanta, Georgia

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of **Foundation for Atlanta Veterans Education and Research, Inc.** (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Foundation for Atlanta Veterans Education and Research, Inc. as of December 31, 2021 and 2020, 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.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation for Atlanta Veterans Education and Research, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation for Atlanta Veterans Education and Research, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

#### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation for Atlanta Veterans Education and Research, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation for Atlanta Veterans Education and Research, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the schedule of state contractual assistance - Georgia Department of Public Health, are presented for purposes of additional analysis and are 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.

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated May 25, 2022, on our consideration of Foundation for Atlanta Veterans Education and Research, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of testing, and not to provide an opinion on the effectiveness of the Foundation for Atlanta Veterans Education and Research, Inc.'s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Foundation for Atlanta Veterans Education and Research, Inc.'s internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
May 25, 2022

**FOUNDATION FOR ATLANTA VETERANS EDUCATION  
AND RESEARCH, INC.**

**STATEMENTS OF FINANCIAL POSITION  
DECEMBER 31, 2021 AND 2020**

<u>Assets</u>	<u>2021</u>	<u>2020</u>
Current assets		
Cash	\$ 2,829,362	\$ 2,668,615
Restricted cash	13,016	12,978
Investments - certificates of deposit	1,444,572	1,694,016
Investments - money markets	383,365	382,772
Grants receivable	4,441,705	2,563,215
Promise to give, net	192,234	196,078
Prepaid expenses	7,753	41,997
<b>Total current assets</b>	<b>9,312,007</b>	<b>7,559,671</b>
Noncurrent assets		
Investments, long term - certificates of deposit	100,102	100,162
Promise to give, net	-	192,234
<b>Total noncurrent assets</b>	<b>100,102</b>	<b>292,396</b>
Property and equipment		
Equipment	633,615	580,214
Computers and software	15,815	15,815
Furniture and fixtures	107,075	107,075
Leasehold improvements	1,219,031	1,219,031
	<u>1,975,536</u>	<u>1,922,135</u>
Accumulated depreciation	<u>(1,164,754)</u>	<u>(1,105,895)</u>
<b>Net property and equipment</b>	<b>810,782</b>	<b>816,240</b>
<b>Total assets</b>	<b>\$ 10,222,891</b>	<b>\$ 8,668,307</b>
<b><u>Liabilities and Net Assets</u></b>		
Current liabilities		
Accounts payable	\$ 2,661,359	\$ 1,224,143
Accrued payroll and related liabilities	249,900	462,873
Deferred revenue	247,308	157,565
<b>Total current liabilities</b>	<b>3,158,567</b>	<b>1,844,581</b>
Net assets		
Without donor restrictions	4,311,227	4,031,544
With donor restrictions	2,753,097	2,792,182
<b>Total net assets</b>	<b>7,064,324</b>	<b>6,823,726</b>
<b>Total liabilities and net assets</b>	<b>\$ 10,222,891</b>	<b>\$ 8,668,307</b>

See Notes to Financial Statements.

**FOUNDATION FOR ATLANTA VETERANS EDUCATION  
AND RESEARCH, INC.**

**STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2021**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues and other support</b>			
Contributions	\$ 1,800	\$ 10,400	\$ 12,200
Grants	11,248,821	-	11,248,821
Research agreements	-	2,585,057	2,585,057
Interest income	1,327	-	1,327
Other income	1,542	-	1,542
Net assets released from restrictions upon satisfaction of project restrictions	2,634,542	(2,634,542)	-
<b>Total revenues and other support</b>	13,888,032	(39,085)	13,848,947
<b>Expenses</b>			
Project expenses	12,627,859	-	12,627,859
Management and general expenses	980,490	-	980,490
<b>Total expenses</b>	13,608,349	-	13,608,349
Change in net assets	279,683	(39,085)	240,598
Net assets, beginning of year	4,031,544	2,792,182	6,823,726
Net assets, end of year	\$ 4,311,227	\$ 2,753,097	\$ 7,064,324

**See Notes to Financial Statements.**

**FOUNDATION FOR ATLANTA VETERANS EDUCATION  
AND RESEARCH, INC.**

**STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>Revenues and other support</b>			
Contributions	\$ -	\$ 900	\$ 900
Grants	8,015,089	449,171	8,464,260
Research agreements	-	2,542,150	2,542,150
Interest income	17,787	-	17,787
Other income	206	-	206
Net assets released from restrictions upon satisfaction of project restrictions	2,185,846	(2,185,846)	-
<b>Total revenues and other support</b>	10,218,928	806,375	11,025,303
<b>Expenses</b>			
Project expenses	9,487,099	-	9,487,099
Management and general expenses	908,234	-	908,234
<b>Total expenses</b>	10,395,333	-	10,395,333
Change in net assets	(176,405)	806,375	629,970
Net assets, beginning of year	4,207,949	1,985,807	6,193,756
Net assets, end of year	\$ 4,031,544	\$ 2,792,182	\$ 6,823,726

**See Notes to Financial Statements.**

**FOUNDATION FOR ATLANTA VETERANS EDUCATION  
AND RESEARCH, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2021**

	<u>Management and General Expenses</u>	<u>Project Expenses</u>	<u>Total</u>
<b>Expenses</b>			
Veterinarian charges	\$ -	\$ 9,821	\$ 9,821
Bank charges	6,864	50	6,914
Computer supplies	8,231	6,124	14,355
Conferences	-	57,084	57,084
Depreciation	58,859	-	58,859
Dues and subscriptions	10,264	28,760	39,024
Insurance	25,536	-	25,536
Laboratory supplies	8,343	86,601	94,944
Legal and accounting	24,043	4,825	28,868
Meeting costs	329	1,859	2,188
Office supplies	1,413	25,784	27,197
Delivery	777	37,937	38,714
Printing	-	2,000	2,000
Professional services	5,488	501,105	506,593
HR/Payroll services	20,943	-	20,943
Project funding	-	6,566,595	6,566,595
Project support	-	548,780	548,780
Repairs and maintenance	4,400	-	4,400
Retirement plan	24,565	87,742	112,307
Salaries, wages, and benefits	780,284	4,585,704	5,365,988
Subject costs	-	72,756	72,756
Travel	-	4,332	4,332
Other	151	-	151
<b>Total expenses</b>	<u>\$ 980,490</u>	<u>\$ 12,627,859</u>	<u>\$ 13,608,349</u>

**See Notes to Financial Statements.**



**FOUNDATION FOR ATLANTA VETERANS EDUCATION  
AND RESEARCH, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED DECEMBER 31, 2020**

	<b>Management and General Expenses</b>	<b>Project Expenses</b>	<b>Total</b>
<b>Expenses</b>			
Veterinarian charges	\$ -	\$ 2,693	\$ 2,693
Bank charges	3,756	60	3,816
Computer supplies	5,112	38,722	43,834
Conferences	2,029	15,581	17,610
Depreciation	54,270	-	54,270
Dues and subscriptions	10,424	31,159	41,583
Equipment	-	4,818	4,818
Honorarium	-	4,000	4,000
Insurance	13,341	-	13,341
Laboratory supplies	8,446	68,576	77,022
Legal and accounting	38,228	5,325	43,553
Meeting costs	200	70,300	70,500
Office supplies	2,418	25,905	28,323
Delivery	1,653	32,098	33,751
Printing	-	3,269	3,269
Professional services	12,045	25,323	37,368
HR/Payroll services	16,688	-	16,688
Project funding	-	4,455,546	4,455,546
Project support	-	354,244	354,244
Repairs and maintenance	672	235	907
Retirement plan	16,993	94,957	111,950
Salaries, wages, and benefits	719,902	4,156,046	4,875,948
Subject costs	-	53,864	53,864
Travel	1,961	44,378	46,339
Other	96	-	96
<b>Total expenses</b>	<b>\$ 908,234</b>	<b>\$ 9,487,099</b>	<b>\$ 10,395,333</b>

See Notes to Financial Statements.

# FOUNDATION FOR ATLANTA VETERANS EDUCATION AND RESEARCH, INC.

## STATEMENTS OF CASH FLOWS YEARS ENDED DECEMBER 31, 2021 AND 2020

	2021	2020
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ 240,598	\$ 629,970
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	58,859	54,270
Net change in:		
Grants receivable	(1,878,490)	(154,270)
Promises to give	196,078	(388,312)
Prepaid expenses	34,244	(3,108)
Accounts payable	1,437,216	264,344
Accrued payroll and related liabilities	(212,973)	97,903
Deferred revenue	89,743	3,102
	(34,725)	503,899
Net cash (used in) provided by operating activities		
<b>INVESTING ACTIVITIES</b>		
Net purchases of property and equipment	(53,401)	(41,672)
Sales of investments	3,437,000	4,031,000
Purchases of investments	(3,188,089)	(5,033,031)
	195,510	(1,043,703)
Net cash provided by (used in) investing activities		
Increase (decrease) in cash	160,785	(539,804)
Cash, beginning of year	2,681,593	3,221,397
Cash, end of year	\$ 2,842,378	\$ 2,681,593
<b>Cash, end of year</b>		
Cash	\$ 2,829,362	\$ 2,668,615
Restricted cash	13,016	12,978
	\$ 2,842,378	\$ 2,681,593

**See Notes to Financial Statements.**

**FOUNDATION FOR ATLANTA VETERANS  
EDUCATION AND RESEARCH, INC.  
NOTES TO FINANCIAL STATEMENTS**

**NOTE 1. ORGANIZATION**

The Foundation for Atlanta Veterans Education and Research, Inc. (the "Foundation"), formerly Atlanta Research and Education Foundation, Inc., was established and incorporated as a nonprofit organization in DeKalb County of the State of Georgia on July 14, 1989. The Foundation derives its origins in legislation authorizing non-profit research corporations at all Veterans Administration (VA) medical centers. Public law 100-322 dated May 20, 1988 amended 38 USC, Chapter 73 authorizes the establishment of a non-profit corporation at each VA medical center, the purpose of which is to provide a funding mechanism for monies received from other than VA appropriations for conducting research projects approved by the medical center.

The Foundation is organized exclusively for charitable, scientific, and educational purposes. It conducts medical research, including investigations, experiments, and studies to discover, develop, or verify knowledge relating to the causes, diagnosis, treatment, or control of physical or mental diseases and impairments of mankind, in conjunction with the Veterans Affairs Medical Center, Decatur, Georgia. Results of the Foundation's research are made available to the scientific and general public through research publications in recognized journals widely distributed to the biomedical community, scientific lectures, and open meetings organized by the Foundation.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The accompanying financial statements of the Foundation have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions, including board designated endowments. The only limits on net assets without donor restrictions are resulting from the nature of the Foundation and its purposes.

*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. 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.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Cash Concentration

The Foundation maintains cash balances at high quality financial institutions. Cash balances at each institution are insured by the FDIC and SIPC for up to \$250,000 and \$500,000, respectively. The Foundation and its investment managers diversify the holdings to maintain balances within these limits with the sole exception of the general operating accounts. Management does not believe it is exposed to significant credit risk on the operating accounts.

#### Restricted Cash

Restricted cash represents funds held for flexible spending accounts to be disbursed based on medical expenses incurred by employee contributors. The cash is held in a separate bank account.

#### Certificates of Deposit

Certificates of deposit mature within five years or less and are carried at market value. There are no early withdrawal penalties. Investment income related to funds received in advance for reimbursement basis grants accrues to the grantor. These amounts are included in deferred revenue until they are remitted to the grantor.

#### Grants Receivable

Grants receivable represents amounts due to the Foundation for research from various funding sources. An allowance for uncollectible receivables is provided based on management's evaluation of potential uncollectible amounts at year end. Management did not consider any amounts to be uncollectible at December 31, 2021 and 2020.

#### Promise to give

At December 31, 2021, the Foundation had one promise to give with one payment of \$200,000 remaining through December 31, 2022. At December 31, 2020, the promise to give had two payments of \$200,000 each remaining through December 31, 2022. The promise to give is discounted at a rate of 2% to a net present value of \$192,234 and \$388,312 at December 31, 2021 and 2020, respectively.

#### Revenue Recognition

Revenue from research agreements is recognized based on the portion of work completed. Revenue from cost-reimbursable grants is recognized as expenditures are made. Contributions are recognized when the donor makes a promise to give to the Foundation that is in substance, unconditional.

#### Deferred Revenue

Deferred revenue represents funds received from reimbursement basis grants and research agreements prior to the Foundation incurring related reimbursable costs.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Property and Equipment

The Foundation capitalizes all expenditures for property and equipment in excess of \$5,000. Property and equipment are recorded at cost and are depreciated on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	39 years
Equipment	3-10 years
Computers and software	3-7 years
Furniture and fixtures	7 years

Depreciation expense for the years ended December 31, 2021 and 2020 was \$58,859 and \$54,270, respectively. Maintenance and repairs of property and equipment are charged to operations.

#### Income Taxes

The Foundation is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and is classified as an organization which is not a private foundation under Section 509(a) of the U.S. Internal Revenue Code.

The Foundation accounts for uncertain tax positions in accordance with accounting standards that provide guidance on when uncertain tax positions are recognized in an entity's financial statements and how the values of these positions are determined. No liability has been recorded as of December 31, 2021 or 2020 due to uncertain tax positions.

#### Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Salaries and related expenses are allocated based on estimates of time and effort. Other costs are charged directly to programs or supporting services based on specific identification.

#### Fair Value of Financial Instruments

At December 31, 2021 and 2020, the carrying value of financial instruments such as cash, certificates of deposit, treasury bills, accounts receivable and payable approximated their fair values.

#### 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 certain reported amounts and disclosures. Actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Fair Value Presentation

FASB's *Fair Value Measurements* and disclosure guidance provides a framework for measuring fair value under generally accepted accounting principles. This standard applies to all financial instruments that are being measured and reported on a fair value basis.

As defined in this standard, 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. In determining fair value, the Foundation uses various methods including market, income, and cost approaches. Based on these approaches, the Foundation often utilizes certain assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and/or the risks inherent in the inputs to the valuation technique. These inputs can be readily observable, market corroborated, or generally unobservable inputs. The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs. Based on the observability of the inputs used in the valuation techniques, the Foundation is required to provide the following information according to the fair value hierarchy. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Financial assets and liabilities carried at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Valuations for assets and liabilities traded in active markets, such as the New York Stock Exchange. Valuations are obtained from readily available pricing sources for market transactions involving identical assets or liabilities.

Level 2 - Valuations for assets and liabilities traded in less active dealer or broker markets. Valuations are obtained from third party pricing services for identical or similar assets or liabilities.

Level 3 - Valuations for assets and liabilities that are derived from other valuation methodologies, including option pricing models, discounted cash flow models and similar techniques, and not based on market exchange, dealer, or broker traded transactions. Level 3 valuations incorporate certain assumptions and projections in determining the fair value assigned to such assets or liabilities.

For the years ended December 31, 2021 and 2020, the application of valuation techniques applied to similar assets and liabilities have been consistent. The fair value of investment securities is the market value based on quoted market prices, when available, or market prices provided by recognized broker dealers. If listed prices or quotes are not available, fair value is based upon externally developed models that use unobservable inputs due to the limited market activity of the instrument.

## NOTES TO FINANCIAL STATEMENTS

### 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 for the years ending December 31, 2021 and 2020:

	2021	2020
Cash	\$ 268,499	\$ 264,745
Investments – certificates of deposit	1,444,572	1,694,016
Investments – money markets	223,732	223,154
Grants receivable	4,441,705	2,563,215
	\$ 6,378,508	\$ 4,745,130

The Foundation manages its liquidity by developing and adopting annual operating budgets that provide sufficient funds for general expenditures in meeting its liabilities and other obligations as they become due. Cash needs of the Foundation are expected to be met through grant and contribution revenue.

### NOTE 4. INVESTMENTS

Investments, measured at fair value on a recurring basis, consist of the following at December 31, 2021 and 2020:

Fair Value Measurements at December 31, 2021				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money markets	\$ 383,365	\$ 383,365	\$ -	\$ -
Fair Value Measurements at December 31, 2020				
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Money markets	\$ 382,772	\$ 382,772	\$ -	\$ -

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5. CONCENTRATION OF REVENUE

For the years ended December 31, 2021 and 2020, the Foundation derived significant revenues and support from the following:

	<u>2021</u>	<u>2020</u>
Centers for Disease Control	\$ 5,281,353	\$ 2,811,399
National Institute of Health	459,953	1,205,451
Department of Defense	37,822	11,457
Georgia Department of Public Health	5,437,363	4,432,578
National Science Foundation	32,330	3,375
	<u>\$ 11,248,821</u>	<u>\$ 8,464,260</u>

### NOTE 6. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2021</u>	<u>2020</u>
Subject to expenditure for a specified purpose:		
Research agreements	\$ 2,753,097	\$ 2,792,182

### NOTE 7. NET ASSETS RELEASED FROM DONOR RESTRICTIONS

Net assets were released from restrictions during 2021 and 2020 by incurring expenses satisfying the restricted purpose of research and development as specified by donors and grantors. Net assets released from restrictions totaled \$2,634,542 and \$2,185,846 for the years ended December 31, 2021 and 2020, respectively.

### NOTE 8. RETIREMENT PLAN

Effective January 1998, the Foundation sponsors an Internal Revenue Code Section 403(b) defined contribution plan whereby employees can contribute to the Plan on a voluntary basis. Employees are eligible to participate in the salary deferral portion of the plan upon employment.

Employees are eligible for an employer match after one year of employment. The Foundation matches 100% of the first 3% of salary reduction and 50% of the next 2% of salary reduction. The Plan provides for immediate vesting. The Foundation's contributions totaled \$112,307 and \$111,950 for the years ended December 31, 2021 and 2020, respectively.

### NOTE 9. SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 25, 2022, the date the financial statements were available to be issued.



## **SUPPLEMENTARY INFORMATION**

# FOUNDATION FOR ATLANTA VETERANS EDUCATION AND RESEARCH, INC.

## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS FOR THE YEAR ENDED DECEMBER 31, 2021

	Agency #	Federal Assistance Listing #	Federal Expenditures	Expenditures to Subrecipients
<b>RESEARCH &amp; DEVELOPMENT CLUSTER</b>				
<b><u>Department of Health and Human Services</u></b>				
<b><u>Passed Through Georgia Department of Public Health</u></b>				
Georgia Emerging Infections Program	EIP	93.283	\$ 5,486,605	\$ 2,788,278
<b><u>Passed Through Centers for Disease Control and Prevention</u></b>				
Molecular Typing Methods to the Surveillance of Drug Resistant Malaria (AMR)	M1F	93.Unknown	119	-
<b><u>Passed Through National Institute of Health</u></b>				
Influenza Vaccine to Effective Stop Cardio Thoracic Events and Decompensated Heart Failure (INVESTED)		93.837	574	-
<b><u>Passed Through Emory University</u></b>				
Changing the natural history of type 2 diabetes - CHANGE study	CHANGE	93.847	98,974	-
<b><u>Passed Through George Washington University</u></b>				
Continuation of glycemia reduction approaches in diabetes: a comparative effectiveness study (GRADE)	GRADE	93.847	249,948	-
<b><u>Passed Through Yale University</u></b>				
3/3/ COMpAAAS Tripartite: ART-CC, KP, and VA	MASH	93.273	62,909	-
2/6 COMpAAAS U01: Observation Study	COMpAAAS	93.273	36,360	-
<b><u>Passed Through Boston VA Research Institute, Inc.</u></b>				
Engagement, enrollment, and retention of participants in the All of Us Research Program (AoURP) within VA healthcare facilities	All of Us	93.Unknown	19,099	-
<b><u>Passed Through University of Georgia</u></b>				
A telemedicine and mHealth intervention for reducing alcohol consumption amount people living with HIV/AIDS	TRAC	93.273	36,365	-
<b><u>Passed Through Hennepin Healthcare Research Institute</u></b>				
ASPREE: Aspirin in reducing events in the elderly	ASPREE	93.866	735	-
ASPREE: Cancer endpoints study		93.866	58,306	-
<b><u>Passed Through Fred Hutchinson Cancer Research Center</u></b>				
CoVPN 3003 Protocol Funding (PF) - Atlanta, GA Protocol-Specific VA Site	CoVPN 3003	93.855	110,770	-
<b><u>Passed Through Duke University</u></b>				
Pragmatic Evaluation of evENTS and Benefits of Lipid-lowering in oldEr Adults (PREVENTABLE)	PREVENTABLE	93.866	10,810	-
<b><u>Passed Through Regents of the University of Michigan</u></b>				
A multifaceted adaptive mobile application to promote self-management and improve outcomes in heart failure	Manage HF	93.866	480	-
Sub-Total			6,172,054	2,788,278
<b><u>Department of Defense</u></b>				
<b><u>Passed Through Veterans Medical Research Foundation</u></b>				
Long term efficacy of neuronavigation-guided rTMS in alleviating headache and pain in GWI		12.420	37,584	-
<b><u>National Science Foundation</u></b>				
<b><u>Passed Through RTI International</u></b>				
NSF convergence accelerator track D: application of sequential inductive transfer learning for experimental metadata normalization to enable rapid integrative analysis	c-Accel	47.083	32,280	-
Total Research & Development Cluster			\$ 6,241,918	\$ 2,788,278

**FOUNDATION FOR ATLANTA VETERANS  
EDUCATION AND RESEARCH, INC.  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED DECEMBER 31, 2021**

**NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards includes the federal award activity of Foundation for Atlanta Veterans Education and Research, Inc. under programs of the federal government for the year ended December 31, 2021. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because this schedule presents only a selected portion of the operations of Foundation for Atlanta Veterans Education and Research, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of Foundation for Atlanta Veterans Education and Research, Inc.

**NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**NOTE 3. INDIRECT COST RATE**

The Foundation for Atlanta Veterans Education and Research has not elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER  
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS  
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

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**To the Board of Directors  
Foundation for Atlanta Veterans Education and Research, Inc.  
Atlanta, Georgia**

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Foundation for Atlanta Veterans Education and Research, Inc., (a nonprofit organization) which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated May 25, 2022.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Foundation for Atlanta Veterans Education and Research, Inc.'s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Foundation for Atlanta Veterans Education and Research, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of Foundation for Atlanta Veterans Education and Research, Inc.'s internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that have not been identified.

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### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether Foundation for Atlanta Veterans Education and Research, Inc.'s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
May 25, 2022



## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

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To the Board of Directors  
Foundation for Atlanta Veterans Education and Research, Inc.  
Atlanta, Georgia

### Report on Compliance for Each Major Federal Program

#### *Opinion on Each Major Federal Program*

We have audited Foundation for Atlanta Veterans Education and Research, Inc.'s compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of Foundation for Atlanta Veterans Education and Research, Inc.'s major federal programs for the year ended December 31, 2021. Foundation for Atlanta Veterans Education and Research, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Foundation for Atlanta Veterans Education and Research, Inc. complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

#### *Basis for Opinion on Each Major Federal Program*

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of Foundation for Atlanta Veterans Education and Research, Inc. and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of Foundation for Atlanta Veterans Education and Research, Inc.'s compliance with the compliance requirements referred to above.

#### *Responsibilities of Management for Compliance*

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Foundation for Atlanta Veterans Education and Research, Inc.'s federal programs.

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### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Foundation for Atlanta Veterans Education and Research, Inc.'s compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Foundation for Atlanta Veterans Education and Research, Inc.'s compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding Foundation for Atlanta Veterans Education and Research, Inc.'s compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Foundation for Atlanta Veterans Education and Research, Inc.'s internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Foundation for Atlanta Veterans Education and Research, Inc.'s internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on Internal Control over Compliance**

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
May 25, 2022



**FOUNDATION FOR ATLANTA VETERANS  
EDUCATION AND RESEARCH, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2021**

**I. SUMMARY OF INDEPENDENT AUDITOR'S RESULTS:**

**Financial Statements:**

Type of auditors' report issued

Unmodified

Yes

No

Internal control over financial reporting:

Material weaknesses identified?

X

Significant deficiencies identified not considered to be material weaknesses?

None  
Reported

Noncompliance material to the financial statements noted?

X

**Federal Awards:**

Internal controls over major programs:

Material weaknesses identified?

X

Significant deficiencies identified not considered to be material weaknesses?

None  
Reported

Type of auditors' report issued on compliance for major programs

Unmodified

Audit findings required to be reported in accordance with 2 CFR Section 200.516(a)

X

**Identification of major programs:**

Research & Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs

\$ 750,000

Yes

No

Auditee qualified as low-risk auditee?

X

Financial Statement Findings?

X

Findings and Questioned Costs for Federal Awards?

X

**FOUNDATION FOR ATLANTA VETERANS  
EDUCATION AND RESEARCH, INC.**

**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
YEAR ENDED DECEMBER 31, 2021**

**II. FINANCIAL STATEMENT FINDINGS**

NONE

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

NONE

**FOUNDATION FOR ATLANTA VETERANS  
EDUCATION AND RESEARCH, INC.**

**SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS  
YEAR ENDED DECEMBER 31, 2020**

**II. FINANCIAL STATEMENT FINDINGS**

NONE

**III. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS**

NONE

**FOUNDATION FOR ATLANTA VETERANS  
EDUCATION AND RESEARCH, INC.**

**SCHEDULE OF STATE CONTRACTUAL ASSISTANCE -  
GEORGIA DEPARTMENT OF PUBLIC HEALTH  
FOR THE YEAR ENDED DECEMBER 31, 2021**

**Georgia Department of Public Health – 40500-036-21192856 (Amendment #6 and Carryover)**

Contract year: January 1, 2021-December 31, 2021

	<b>Total Budget</b>	<b>Actual Year Ended December 31,</b>		<b>Balance remaining on Grant</b>
		<b>2020</b>	<b>2021</b>	
Total receipts	\$ 7,603,996	\$ -	\$ 3,493,866	
Total expenditures		\$ -	\$ 5,486,605	\$ 2,117,391

**Georgia Department of Public Health – 40500-036-20192856 (Amendment #5)**

Contract year: January 1, 2020-December 31, 2020

	<b>Total Budget</b>	<b>Actual Year Ended December 31,</b>		<b>Balance remaining on Grant</b>
		<b>2020</b>	<b>2021</b>	
Total receipts	\$ 5,877,385	\$ 3,237,379	\$ 1,195,200	
Total expenditures		\$ 4,430,636	\$ -	\$ 1,446,749