

**AID ATLANTA, INC.**

**FINANCIAL REPORT**

**DECEMBER 31, 2020**

# AID ATLANTA, INC.

## FINANCIAL REPORT DECEMBER 31, 2020

### TABLE OF CONTENTS

Page

INDEPENDENT AUDITOR'S REPORT .....	1 and 2
FINANCIAL STATEMENTS	
Statements of financial position .....	3
Statement of activities and changes in net assets for the year ended December 31, 2020 .....	4
Statement of activities and changes in net assets for the year ended December 31, 2019 .....	5
Statement of functional expenses for the year ended December 31, 2020 .....	6
Statement of functional expenses for the year ended December 31, 2019 .....	7
Statements of cash flows .....	8
Notes to financial statements .....	9-15
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	16
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS .....	17
INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i> .....	18 and 19
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE .....	20 and 21
SCHEDULE OF FINDINGS AND QUESTIONED COSTS .....	22 and 23
SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS .....	24



## INDEPENDENT AUDITOR'S REPORT

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**To the Board of Directors  
AID Atlanta, Inc.  
Atlanta, Georgia**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **AID Atlanta, Inc. (a nonprofit organization)** (the "Organization"), which comprise the statements of financial position as of December 31, 2020, and 2019 and the related statements of activities and changes in net assets, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 auditors' 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 Organization'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 Organization'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 AID Atlanta, Inc. as of December 31, 2020 and 2019, 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.

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***Other Matters***

*Other 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* is presented for purposes of additional analysis and is not a required part of the basic 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 March 31, 2021 on our consideration of the Organization's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 that testing, and not to provide an opinion on 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 Organization's internal control over financial reporting and compliance.

*Mauldin & Jenkins, LLC*

Atlanta, Georgia  
March 31, 2021

# AID ATLANTA, INC.

## STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2020 AND 2019

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 370,693	\$ 387,683
Grants receivable	1,877,385	1,122,510
Pledges receivable	21,583	15,957
Prepaid expenses	20,966	107,921
Other assets	15,618	15,413
Total current assets	2,306,245	1,649,484
<b>PROPERTY AND EQUIPMENT, NET</b>		
	179,718	181,411
<b>Total assets</b>	\$ 2,485,963	\$ 1,830,895
<b><u>LIABILITIES AND NET ASSETS (DEFICIT)</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 494,640	\$ 552,165
Accrued compensated absences	157,069	144,159
Deferred rent	-	16,346
Total current liabilities	651,709	712,670
<b>LONG-TERM LIABILITIES</b>		
Payable to AIDS Healthcare Foundation	3,762,454	2,812,815
Total long-term liabilities	3,762,454	2,812,815
<b>Total liabilities</b>	4,414,163	3,525,485
<b>NET ASSETS (DEFICIT)</b>		
Without donor restrictions	(1,945,571)	(1,753,609)
With donor restrictions	17,371	59,019
Total net (deficit)	(1,928,200)	(1,694,590)
<b>Total liabilities and net (deficit)</b>	\$ 2,485,963	\$ 1,830,895

**See Notes to Financial Statements.**

# AID ATLANTA, INC.

## STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Public support			
Foundation grants	\$ -	\$ 24,000	\$ 24,000
Funding from AHF	3,376,466	-	3,376,466
Governmental grants	6,421,976	41,667	6,463,643
Insurance reimbursements	123,963	-	123,963
Contributions and memorials	(1,740)	4,000	2,260
AIDS Walk, including in-kind donations	374,298	7,875	382,173
Total public support	10,294,963	77,542	10,372,505
Other revenue	206,372	-	206,372
Net assets released from restrictions	119,190	(119,190)	-
Total revenues	10,620,525	(41,648)	10,578,877
<b>EXPENSES</b>			
Program services			
Client services	4,372,306	-	4,372,306
Education	1,397,279	-	1,397,279
Health center	3,720,805	-	3,720,805
Total program services	9,490,390	-	9,490,390
Supporting services			
AIDS Walk and development	427,950	-	427,950
Management and general	894,147	-	894,147
Total supporting services	1,322,097	-	1,322,097
Total expenses	10,812,487	-	10,812,487
Change in net assets (deficit)	(191,962)	(41,648)	(233,610)
Net assets (deficit), beginning of year	(1,753,609)	59,019	(1,694,590)
Net assets (deficit), end of year	\$ (1,945,571)	\$ 17,371	\$ (1,928,200)

**See Notes to Financial Statements.**

# AID ATLANTA, INC.

## STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES</b>			
Public support			
Foundation grants	\$ -	\$ 86,100	\$ 86,100
Funding from AHF	2,516,761	-	2,516,761
Governmental grants	6,605,069	37,613	6,642,682
Insurance reimbursements	101,764	-	101,764
Contributions and memorials	215,609	4,075	219,684
AIDS Walk, including in-kind donations	1,424,849	-	1,424,849
Total public support	10,864,052	127,788	10,991,840
Other revenue	188,954	-	188,954
Net assets released from restrictions	95,044	(95,044)	-
	11,148,050	32,744	11,180,794
<b>EXPENSES</b>			
Program services			
Client services	4,302,902	-	4,302,902
Education	1,411,372	-	1,411,372
Health center	3,291,753	-	3,291,753
Total program services	9,006,027	-	9,006,027
Supporting services			
AIDS Walk and development	1,334,504	-	1,334,504
Management and general	905,069	-	905,069
Total supporting services	2,239,573	-	2,239,573
Total expenses	11,245,600	-	11,245,600
Change in net assets (deficit)	(97,550)	32,744	(64,806)
Net assets (deficit), beginning of year	(1,656,059)	26,275	(1,629,784)
Net assets (deficit), end of year	\$ (1,753,609)	\$ 59,019	\$ (1,694,590)

**See Notes to Financial Statements.**

## AID ATLANTA, INC.

### STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services			Total Program Services	Supporting services		Totals
	Client Services	Education	Health Center		AIDS Walk and Development	Management and General	
Salaries	\$ 1,849,258	\$ 518,637	\$ 1,317,369	\$ 3,685,264	\$ 212,653	\$ 379,937	\$ 4,277,854
Employee benefits	574,667	139,754	351,826	1,066,247	65,876	96,590	1,228,713
Advertising	-	-	-	-	4,433	-	4,433
Contract services	57,514	334,301	231,648	623,463	18,257	41,169	682,889
Direct expenses	334	54,449	1,393,982	1,448,765	-	-	1,448,765
Due and subscriptions	-	-	150	150	1,605	264	2,019
Emergency assistance	1,599,255	914	102,586	1,702,755	-	-	1,702,755
Equipment rental and maintenance	33,403	9,892	12,701	55,996	51,130	70,935	178,061
Hospitality	150	-	-	150	1,120	260	1,530
Interest and bank charges	-	159	1,544	1,703	5,189	35,422	42,314
Meetings and conference	1,651	1,275	946	3,872	1,807	2,563	8,242
Miscellaneous	-	-	-	-	-	40,478	40,478
Occupancy	123,317	68,406	187,289	379,012	19,193	142,258	540,463
Postage and shipping	2,768	354	2,219	5,341	2,278	1,009	8,628
Printing and newsletter	1,985	-	142	2,127	5,822	1,170	9,119
Professional fees	4,039	-	1,552	5,591	-	25,895	31,486
Special events	7,757	12,536	150	20,443	11,821	1,198	33,462
Staff development and workshops	4,821	4,450	6,018	15,289	5,285	10,094	30,668
Supplies	39,662	225,546	70,113	335,321	5,487	21,689	362,497
Telephone	39,981	17,126	17,466	74,573	8,585	11,967	95,125
Travel	3,477	293	635	4,405	1,845	635	6,885
Total expenses before depreciation	4,344,039	1,388,092	3,698,336	9,430,467	422,386	883,533	10,736,386
Depreciation	28,267	9,187	22,469	59,923	5,564	10,614	76,101
Total expenses	\$ 4,372,306	\$ 1,397,279	\$ 3,720,805	\$ 9,490,390	\$ 427,950	\$ 894,147	\$ 10,812,487

See Notes to Financial Statements.



**AID ATLANTA, INC.**

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	Program Services			Total Program Services	Supporting Services		Total Supporting Services	Totals
	Client Services	Education	Health Center		AIDS Walk and Development	Management and General		
Salaries	\$ 1,839,983	\$ 562,503	\$ 1,031,806	\$ 3,434,292	\$ 239,448	\$ 469,879	\$ 709,327	\$ 4,143,619
Employee benefits	542,035	125,896	242,927	910,858	56,692	131,082	187,774	1,098,632
Advertising	5,978	10,394	-	16,372	19,069	-	19,069	35,441
Contract services	87,162	356,430	228,768	672,360	64,012	-	64,012	736,372
Direct expenses	1,166	18,190	1,401,121	1,420,477	-	-	-	1,420,477
Due and subscriptions	-	-	-	-	1,168	1,495	2,663	2,663
Emergency assistance	1,516,498	367	58,583	1,575,448	-	-	-	1,575,448
Equipment rental and maintenance	16,210	9,367	14,353	39,930	42,980	49,386	92,366	132,296
Interest and bank charges	-	120	1,737	1,857	16,222	23,051	39,273	41,130
Meetings and conference	485	2,600	2,527	5,612	8,180	1,984	10,164	15,776
Miscellaneous	-	-	-	-	-	14,772	14,772	14,772
Occupancy	90,314	58,702	169,334	318,350	26,991	98,080	125,071	443,421
Postage and shipping	3,732	364	2,181	6,277	2,184	1,452	3,636	9,913
Printing and newsletter	1,857	316	47	2,220	9,066	233	9,299	11,519
Production costs, AIDS walk	-	-	-	-	182,986	-	182,986	182,986
Professional fees	15,060	-	17,648	32,708	-	37,070	37,070	69,778
Special events	22,417	26,017	-	48,434	639,726	8,692	648,418	696,852
Staff development and workshops	315	122	1,328	1,765	781	7,726	8,507	10,272
Supplies	17,008	191,613	40,982	249,603	2,586	14,112	16,698	266,301
Telephone	33,942	16,653	15,948	66,543	9,038	9,216	18,254	84,797
Travel	11,014	4,535	4,743	20,292	1,395	5,632	7,027	27,319
Total expenses before depreciation	<u>4,205,176</u>	<u>1,384,189</u>	<u>3,234,033</u>	<u>8,823,398</u>	<u>1,322,524</u>	<u>873,862</u>	<u>2,196,386</u>	<u>11,019,784</u>
Depreciation	<u>97,726</u>	<u>27,183</u>	<u>57,720</u>	<u>182,629</u>	<u>11,980</u>	<u>31,207</u>	<u>43,187</u>	<u>225,816</u>
Total expenses	<u>\$ 4,302,902</u>	<u>\$ 1,411,372</u>	<u>\$ 3,291,753</u>	<u>\$ 9,006,027</u>	<u>\$ 1,334,504</u>	<u>\$ 905,069</u>	<u>\$ 2,239,573</u>	<u>\$ 11,245,600</u>

See Notes to Financial Statements.

# AID ATLANTA, INC.

## STATEMENTS OF CASH FLOWS FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Change in net assets	\$ (233,610)	\$ (64,806)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation	76,101	225,816
(Increase) decrease in:		
Grants receivable	(754,875)	(271,255)
Pledges receivable	(5,626)	58,598
Prepaid expenses	86,955	(49,913)
Other assets	(205)	(413)
Increase (decrease) in:		
Accounts payable and accrued expenses	(57,525)	(123,771)
Accrued compensated absences	12,910	21,975
Deferred rent	(16,346)	(26,431)
Net cash (used in) operating activities	(892,221)	(230,200)
<b>INVESTING ACTIVITIES</b>		
Purchases of property and equipment	(74,408)	(49,341)
Net cash (used in) investing activities	(74,408)	(49,341)
<b>FINANCING ACTIVITIES</b>		
Advances from AHF	5,895,098	4,927,722
Advances to AHF	(4,945,459)	(4,541,545)
Net cash provided by financing activities	949,639	386,177
(Decrease) increase in cash	(16,990)	106,636
Cash, beginning of year	387,683	281,047
Cash, end of year	\$ 370,693	\$ 387,683

**See Notes to Financial Statements.**

**AID ATLANTA, INC.**  
**NOTES TO FINANCIAL STATEMENTS**

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**NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of activities:**

AID Atlanta, Inc. (the "Organization") was incorporated as a non-profit corporation under the laws of the State of Georgia in 1982. The Organization was founded as a grass-roots response to the devastating and fatal impact HIV and AIDS was having on the Atlanta community. The Organization provides HIV prevention education, HIV testing and counseling, medical case management, supportive services, and primary medical care to those most in need of services.

During 2015, the Organization reorganized by amending its Articles of Incorporation to reduce the size of the Board from 22 to 3 members, who are selected solely by AIDS Healthcare Foundation ("AHF"). The Organization is a supporting organization of AHF and is consolidated within the financial statements of AHF.

The Organization's financial statements have been prepared on the accrual basis whereby revenues are recognized when earned and expenses are recorded when incurred. The significant accounting policies followed by the Organization are described below.

**Significant accounting policies:**

**Basis of Presentation:**

The financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

The Organization presents its financial statements in accordance with the Financial Accounting Standards Board (FASB)'s *Not-For-Profit* presentation and disclosure guidance. Under this guidance, the Organization is required to report information regarding its financial position and activities according to two categories of net assets:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor-imposed restrictions which are used to account for resources available to carry out the purposes of the Organization in accordance with the limitations of its bylaws. Board designated net assets are without donor restrictions but are designated by the Board to be spent for specific purposes. At December 31, 2020 and 2019, the Organization does not have any board designated net assets.

*Net Assets With Donor Restrictions* – Net assets subject to donor-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.

**Revenue recognition and donor-imposed restrictions:**

In accordance with FASB's *Not-For-Profit* revenue recognition guidance, unconditional promises to give cash and other assets are reported at fair value at the date the promise is received. All contributions and investment income are available for general use unless specifically restricted by donor.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Significant accounting policies: (Continued)

##### Revenue recognition and donor-imposed restrictions: (Continued)

Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as donor restricted support that increase those net asset classes. Conditional promises to give are not recognized until the barrier is overcome; that is, when the conditions on which they depend are substantially met. Contributions received are recorded as support without donor restriction or donor restricted support, depending on the existence and/or nature of any donor restrictions.

Support that is restricted by the donor is reported as an increase in net assets without donor restriction if the restriction expires in the reporting period in which the support is recognized. All other donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. 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.

The Organization has adopted policies that allow for contributions received and expended in the same accounting period to be recorded as without donor restrictions.

Capital and operational grant funding received from various grantors are presented in a manner consistent with *Not-For-Profit* GAAP, and the grantor's grant agreement, as grant funds with and without donor restrictions.

##### Reclassification:

Certain reclassifications have been made to the financial statements in order for them to be in conformity with the current year presentation. These reclassifications involve allocations of program and supporting services, resulting in no impact to the change in net assets.

##### Fair Value of Financial Instruments:

The carrying value of cash, receivables, accounts payable and accrued expenses approximate fair value because of the short term of these financial instruments.

##### Property and Equipment:

Property and equipment are recorded at cost, or if donated, at approximate fair value at the date of donation. The Organization capitalizes property and equipment if its value is greater than \$500 and its useful life is more than one year. Leasehold improvements are amortized over the shorter of the lease term or the useful life of the asset. Depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Furniture and equipment	3 – 7 years
Leasehold improvements	5 – 7 years
Software	3 – 7 years

##### Deferred Rent Obligations:

Rent expense for operating leases that contain scheduled rent increases, net of any landlord allowances, is recognized for financial reporting purposes on the straight-line method. Consequently, amounts that have been expensed for financial reporting purposes, but not yet paid, are reflected as deferred rent obligations in the accompanying statement of financial position.

## NOTES TO FINANCIAL STATEMENTS

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### NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Significant accounting policies: (Continued)

##### Donated Materials-Equipment and Services:

Donations of property and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions 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 contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies net assets with donor restrictions to net assets without donor restrictions at that time. The Organization received in-kind donations associated with the AIDS Walk of \$137,410 during the year ended December 31, 2019. There were no in-kind donations received for year ended December 31, 2020.

The Organization generally pays for services requiring specific expertise. However, many individuals volunteer their time and perform a variety of tasks to assist the Organization with specific assistance programs, campaign solicitations, and various committee assignments. No amounts have been reflected in the financial statements for services donated by individual volunteer.

##### Functional Expense Allocation:

The costs of providing the Organization's various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and changes in net assets and functional expenses. The Organization reports certain categories of expenses that are attributed to more than one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Salaries, employee benefits, contract services, telephone and depreciation expenses include certain expenses that are allocated on the basis of estimates of time and effort. Occupancy expenses are allocated among functional areas based on square footage and headcount.

##### Income Taxes:

The Organization qualifies as a tax-exempt organization as described in Internal Revenue Code Section 501(c)(3) and has been classified by the Internal Revenue Service as a publicly supported organization and not as a private foundation. The Organization follows the statutory requirements for its income tax accounting and generally avoids risks associated with potentially problematic tax positions that may be challenged upon examination.

Management evaluated the Organization's tax positions and concluded that the Organization has taken no uncertain tax positions that require adjustment to the financial statements to comply with the provision on accounting for uncertainty in income taxes.

The Organization files Form 990 in the U.S. federal jurisdiction and the state of Georgia.

##### Management Use of Estimates:

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 1. NATURE OF ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

#### Significant accounting policies: (Continued)

##### Recent Accounting Pronouncements:

In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842), to increase transparency and comparability among organizations by recognizing lease assets and lease liabilities on the balance sheet and disclosing key information about leasing arrangements. ASU 2016-02 is effective for financial statements issued for fiscal years beginning after December 15, 2021. The Organization is assessing the impact the new guidance will have on its financial statements.

### NOTE 2. EMPLOYEE BENEFITS PLAN

The Organization participates in a defined contribution plan administered by AHF. The plan is for the benefit of all full-time employees who qualify under the participation requirements. Participants may contribute up to 20% of pre-tax annual compensation as defined by the plan. The plan provides for matching contributions which are remitted monthly by the Organization to the plan. The Organization contributed \$131,318 and \$106,405 to the plan during the years ended December 31, 2020 and 2019, respectively.

### NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	2020	2019
Furniture and equipment	\$ 1,885,129	\$ 1,846,860
Leasehold improvements	375,596	375,596
Software	34,968	-
Artwork	12,800	12,800
	2,308,493	2,235,256
Less accumulated depreciation	(2,128,775)	(2,053,845)
	\$ 179,718	\$ 181,411

Depreciation expense for the years ended December 31, 2020 and 2019 was \$76,101 and \$225,816, respectively.

### NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes at December 31:

	2020	2019
Client Services	\$ 12,055	\$ 24,141
Development	4,800	-
Education	-	10,435
Housing	516	24,443
	\$ 17,371	\$ 59,019

## NOTES TO FINANCIAL STATEMENTS

### NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS (Continued)

Net assets with donor restrictions are comprised of the following at December 31:

	2020	2019
Subject to expenditure for specified purpose:		
Cash	\$ 17,371	\$ 59,019
	\$ 17,371	\$ 59,019

### NOTE 5. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during 2020 and 2019 by incurring expenses satisfying the restricted purposes specified by donors as follows:

	2020	2019
Education	\$ 57,102	\$ 28,032
Client Services	37,962	25,849
Development	200	12,607
Housing	23,926	28,556
	\$ 119,190	\$ 95,044

### NOTE 6. AIDS WALK

Annually, the Organization sponsors an AIDS Walk, which provides educational and AIDS awareness services to the greater Atlanta community. Revenues and expenses are as follows for years ended December 31:

	2020	2019
Revenues	\$ 382,172	\$ 1,424,849
Less: grants to other agencies	-	(181,466)
Less: other expenses, including development	(427,950)	(1,153,038)
	\$ (45,778)	\$ 90,345

### NOTE 7. COMMITMENTS AND CONTINGENCIES

Grants often require the fulfillment of certain conditions as set forth in the related instruments. Failure to fulfill the conditions could result in the return of funds to the granters. Although the return of the funds is a possibility, the Board of Directors deems the contingency unlikely, since upon accepting the grants the Organization has agreed to comply with provisions thereof.

## NOTES TO FINANCIAL STATEMENTS

### NOTE 8. OPERATING LEASES

The Organization leases equipment and facilities for office space and parking under non-cancellable operating leases. Future minimum lease payments are as follows for years ending December 31:

2021	\$	242,935
2022		59,911
2023		6,300
2024		5,775
		314,921
	\$	314,921

Total rent expense for the years ended December 31, 2020 and 2019 was \$382,693 and \$381,939, respectively.

### NOTE 9. CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash accounts at financial institutions. At times, cash balances exceed federally insured amounts. The Organization has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash.

If liquidity issues arise in the global credit and capital markets, it is at least reasonably possible that these changes in risks could materially affect the amounts reported in the accompanying financial statements.

The Organization depends heavily on contributions and grants for its revenue. During 2020 and 2019, the Organization received 62% and 59%, respectively, of its funding from government grants. Also during 2020 and 2019, the Organization received \$3,376,466 and \$2,516,761 (32% and 23% of its funding), respectively, from AHF. The ability of the Organization's contributors and granters as well as AHF to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions.

### NOTE 10. RELATED PARTY TRANSACTIONS

During 2020 and 2019, AHF provided support to the Organization totaling \$3,376,466 and \$2,516,761, respectively, included in net assets without donor restrictions on the accompanying statement of activities and changes in net assets. Since the affiliation between AHF and AID Atlanta, AHF also provided financing to the Organization with an interest free payable which was used for funding operations. The payable had a balance at December 31, 2020 and 2019 of \$3,762,454 and \$2,812,815, respectively. These amounts are included in long-term liabilities on the accompanying statement of financial position as no prescribed repayment terms have been established and repayment during the year ending December 31, 2021 and foreseeable future is not anticipated.

### NOTE 11. LIQUIDITY AND AVAILABILITY OF RESOURCES

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 as of December 31, 2020 and 2019, comprise the following:

	2020	2019
Cash and cash equivalents (without donor restrictions)	\$ 353,322	\$ 328,664
Grants receivable	1,877,385	1,122,510
Pledges receivable	21,583	15,957
	\$ 2,252,290	\$ 1,467,131



## NOTES TO FINANCIAL STATEMENTS

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### **NOTE 11. LIQUIDITY AND AVAILABILITY OF RESOURCES (Continued)**

As described in Note 1 and 10, the Organization receives support from AHF to help manage unanticipated liquidity needs. During the year, AHF advances the Organization any needed funds through an intercompany payable. This is determined based on the needs of the Organization.

### **NOTE 12. EFFECTS OF COVID-19 CORONAVIRUS**

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen which are worldwide. The related financial impacts and duration cannot be reasonably estimated.

### **NOTE 13. SUBSEQUENT EVENTS**

The Organization evaluated its December 31, 2020 financial statements for subsequent events through March 31, 2021, the date the financial statements were available to be issued.

## **SUPPLEMENTAL INFORMATION**

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**AID ATLANTA, INC.**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED DECEMBER 31, 2020**

Federal Grantor/Program	CFDA Number	Grant ID Numbers	Federal Expenditures
<b><u>U.S. Department of Health and Human Services</u></b>			
Passed-through Fulton County, Georgia			
HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A)	93.914	118-16SC10236B-2	\$ 439,366
HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A)	93.914	118-17106803B	2,333,520
			<u>2,772,886</u>
Passed-through Fulton County, Georgia			
HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A) (CARES)	93.914		<u>97,048</u>
Passed-through Fulton County, Georgia			
Ryan White Part C Outpatient EIS Program	93.918	H76HA28471	<u>374,028</u>
Passed-through Fulton County, Georgia			
Ryan White Part C CAF - Newnan (CARES)	93.918		<u>42,921</u>
Passed-through Fulton County, Georgia			
Comprehensive HIV Prevention Program for Fulton and DeKalb	93.940	16RFP09092016A-CJC	99,945
Passed-through the Georgia Department of Public Health			
Information Line	93.940	40500-044-12100303	109,999
			<u>209,944</u>
Passed through the Centers for Disease Control and Prevention			
HIV Prevention Activities - Non-Governmental Organization Based	93.939	1U65PS004726-01	384,795
HIV Prevention Activities - Non-Governmental Organization Based	93.939	5NU65PS004726-02-00	342,678
			<u>727,473</u>
Passed Through the Georgia Department of Public Health			
Ryan White Part B - Haven of Hope	93.917	40500-044-15151529	<u>495,248</u>
Passed Through the Georgia Department of Public Health			
Ryan White Part B CAF - Heaven of Hope (CARES)	93.917		<u>21,390</u>
<b>Total U.S. Department of Health and Human Services</b>			<b><u>\$ 4,740,938</u></b>
<b><u>U.S. Department of Housing and Urban Development</u></b>			
Passed-through City of Atlanta, Georgia			
Housing Opportunities for Persons with AIDS Program	14.241	250131963/250132042	1,583,218
HOPWA DCA : Department of Community Affairs	14.241	2018 HOPWA 18C085	20,488
HOPWA DCA : Department of Community Affairs	14.241	2019 HOPWA 19C013	4,000
			<u>1,607,706</u>
Passed-through City of Atlanta, Georgia			
CARES Act Fund: Housing Opportunities for Persons with AIDS Program (CARES)	14.241		<u>90,000</u>
<b>Total U.S. Department of Housing and Urban Development</b>			<b><u>\$ 1,697,706</u></b>
<b>Total Expenditures of Federal Awards</b>			<b><u>\$ 6,438,644</u></b>

See Notes to the Schedule of Expenditures of Federal Awards

**AID ATLANTA, INC.**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED DECEMBER 31, 2020**

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**NOTE 1. BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of AID Atlanta, Inc. under programs for the federal government for the year ended December 31, 2020. The information in this schedule is presented in accordance with the provisions 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 the Schedule presents only a selected portion of the operations of AID Atlanta, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of AID Atlanta, 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 no allowable or are limited as to reimbursement.

Pass-through entity identifying numbers are presented where available.

**NOTE 3. INDIRECT COST RATE**

AID Atlanta, Inc. did not elect to use the 10% de minimis cost rate allowed under the Uniform Guidance.

**NOTE 4. CONTINGENCIES**

These Federal programs are subject to financial and compliance audits by grantor agencies which, if instances of material noncompliance are found, may result in disallowed expenditures and affect the Organization's continued participation in specific programs. The amount, if any, of expenditures which may be disallowed by the grantor agencies cannot be determined at this time, although the Organization expects such amounts, if any, to be immaterial.



**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  
Aid Atlanta, Inc.  
Atlanta, GA**

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 AID Atlanta, Inc. (a nonprofit organization) (the "Organization"), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities and changes in net assets, 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 March 31, 2021.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the 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 the Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Organization'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 may exist that have not been identified.

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**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Organization'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 determination of financial statement amounts. 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  
March 31, 2021



## 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  
AID Atlanta, Inc.  
Atlanta, GA

### Report on Compliance for Each Major Federal Program

We have audited AID Atlanta, Inc.'s (a nonprofit organization) (the "Organization"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the Organization's major federal programs for the year ended December 31, 2020. The Organization's major federal programs are identified in the summary of the auditors' results section of the accompanying schedule of findings and questioned costs.

#### *Management's Responsibility*

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on compliance for each of the Organization's major federal programs based on our audit of the types of compliance requirements referred to above. 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the Organization's compliance.

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

In our opinion, the Organization 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, 2020.

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## Report on Internal Control Over Compliance

Management of the Organization is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Organization's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Organization's 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 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.

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

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  
March 31, 2021



**AID ATLANTA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2020**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS:**

**Financial Statements:**

Type of auditors' report issued	<u>Unmodified</u>	
	<u>Yes</u>	<u>No</u>
Internal control over financial reporting:		
Material weaknesses identified?	_____	<u>X</u>
Significant deficiencies identified not considered to be material weaknesses?	_____	<u>X</u>
Noncompliance material to the financial statements noted?	_____	<u>X</u>

**Federal Awards:**

Internal controls over major programs:		
Material weaknesses identified?	_____	<u>X</u>
Significant deficiencies identified not considered to be material weaknesses?	_____	<u>X</u>
Type of auditors' report issued on compliance for major programs	<u>Unmodified</u>	
Audit findings required to be reported in accordance with 2 CFR Section 200.516(a)	<u>No</u>	

**Identification of major programs:**

HIV Emergency Relief Project Grants	<b>93.914</b>	
Dollar threshold used to distinguish between type A and type B programs	<b>\$ 750,000</b>	
	<u>Yes</u>	<u>No</u>
Auditee qualified as low-risk auditee?	_____	<u>X</u>
Financial statement findings?	_____	<u>X</u>
Findings and questioned costs for Federal awards?	_____	<u>X</u>

**AID ATLANTA, INC.**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2020**

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**SECTION II – FINANCIAL STATEMENT FINDINGS:**

None

**SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:**

None

**AID ATLANTA, INC.**  
**SCHEDULE OF PRIOR YEAR FINDINGS AND QUESTIONED COSTS**  
**YEAR ENDED DECEMBER 31, 2019**

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**SECTION II – FINANCIAL STATEMENT FINDINGS:**

None

**SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:**

2019-001

*Criteria:*

Participants in the HIV Emergency Relief project grant are required to provide eligibility documents before being approved to receive funds.

*Condition:*

During our testing of eligibility of patients served, we noted two (2) of seventy one patient files did not contain documentation of income verification.

*Cause:*

Provisional services are allowed to be provided initially without the documentation under Fulton County (pass through agency) guidelines. AID Atlanta has fifteen (15) days to collect documents from the patient. After multiple attempts to reach out, patients were not able to provide the required documentation.

*Effect:*

Due to lack of documentation, the Organization was unable to determine the eligibility of the two patients. In effect, the services were provided to patients who could have possibly been ineligible.

*Recommendations:*

We recommend that the Organization adheres to the policies and controls in place to verify the eligibility of patients prior to providing services and review of the documentation by an individual other than the individual collecting the documentation.

*Views of Responsible Officials:*

Management agrees with the recommendations and to adhere to current internal control processes that are in place to ensure the proper income verification documentation is completed and maintained.

*Status:*

Management has put processes in to improve the internal control over the eligibility requirement.