

AID ATLANTA, INC.

FINANCIAL REPORT

DECEMBER 31, 2021

AID ATLANTA, INC.

FINANCIAL REPORT DECEMBER 31, 2021

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinion

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, 2021 and 2020, 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.

In our opinion, the financial statements present fairly, in all material respects, the financial position of AID Atlanta, 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 AID Atlanta, 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 opinion.

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 AID Atlanta, 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 Responsibility 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.

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 AID Atlanta, 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 AID Atlanta, 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 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 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 schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Information

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 18, 2022 on our consideration of AID Atlanta, 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 solely 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 the effectiveness of AID Atlanta, 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 AID Atlanta, Inc.'s internal control over financial reporting and compliance.

Mauldin & Jenkins, LLC

Atlanta, Georgia
July 18, 2022

AID ATLANTA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2021 AND 2020

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
CURRENT ASSETS		
Cash	\$ 397,076	\$ 370,693
Grants receivable	1,602,651	1,877,385
Pledges receivable	15,803	21,583
Prepaid expenses	22,486	20,966
Other assets	16,726	15,618
Total current assets	2,054,742	2,306,245
PROPERTY AND EQUIPMENT, NET	123,066	179,718
Total assets	\$ 2,177,808	\$ 2,485,963
<u>LIABILITIES AND NET ASSETS (DEFICIT)</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 303,629	\$ 494,640
Accrued compensated absences	92,237	157,069
Total current liabilities	395,866	651,709
LONG-TERM LIABILITIES		
Payable to AIDS Healthcare Foundation	3,969,182	3,762,454
Total long-term liabilities	3,969,182	3,762,454
Total liabilities	4,365,048	4,414,163
NET ASSETS (DEFICIT)		
Without donor restrictions	(2,244,413)	(1,945,571)
With donor restrictions	57,173	17,371
Total net (deficit)	(2,187,240)	(1,928,200)
Total liabilities and net (deficit)	\$ 2,177,808	\$ 2,485,963

See Notes to Financial Statements.

AID ATLANTA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Public support			
Foundation grants	\$ -	\$ 62,500	\$ 62,500
Funding from AHF	2,453,906	-	2,453,906
Governmental grants	4,877,524	27,456	4,904,980
Insurance reimbursements	76,009	1,096	77,105
Contributions and memorials	9,396	4,500	13,896
AIDS Walk, including in-kind donations	333,278	1,430	334,708
Total public support	<u>7,750,113</u>	<u>96,982</u>	<u>7,847,095</u>
Other revenue	86,850	-	86,850
Net assets released from restrictions	<u>57,180</u>	<u>(57,180)</u>	<u>-</u>
Total revenues	<u>7,894,143</u>	<u>39,802</u>	<u>7,933,945</u>
EXPENSES			
Program services			
Client services	3,574,566	-	3,574,566
Education	1,252,534	-	1,252,534
Health center	2,147,525	-	2,147,525
Total program services	<u>6,974,625</u>	<u>-</u>	<u>6,974,625</u>
Supporting services			
AIDS Walk and development	405,032	-	405,032
Management and general	813,328	-	813,328
Total supporting services	<u>1,218,360</u>	<u>-</u>	<u>1,218,360</u>
Total expenses	<u>8,192,985</u>	<u>-</u>	<u>8,192,985</u>
Change in net assets (deficit)	(298,842)	39,802	(259,040)
Net assets (deficit), beginning of year	<u>(1,945,571)</u>	<u>17,371</u>	<u>(1,928,200)</u>
Net assets (deficit), end of year	<u>\$ (2,244,413)</u>	<u>\$ 57,173</u>	<u>\$ (2,187,240)</u>

See Notes to Financial Statements.

AID ATLANTA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
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	<u>10,294,963</u>	<u>77,542</u>	<u>10,372,505</u>
Other revenue	206,372	-	206,372
Net assets released from restrictions	<u>119,190</u>	<u>(119,190)</u>	<u>-</u>
 Total revenues	 <u>10,620,525</u>	 <u>(41,648)</u>	 <u>10,578,877</u>
EXPENSES			
Program services			
Client services	4,372,306	-	4,372,306
Education	1,397,279	-	1,397,279
Health center	<u>3,720,805</u>	<u>-</u>	<u>3,720,805</u>
Total program services	9,490,390	-	9,490,390
Supporting services			
AIDS Walk and development	427,950	-	427,950
Management and general	<u>894,147</u>	<u>-</u>	<u>894,147</u>
Total supporting services	1,322,097	-	1,322,097
 Total expenses	 <u>10,812,487</u>	 <u>-</u>	 <u>10,812,487</u>
Change in net assets (deficit)	(191,962)	(41,648)	(233,610)
Net assets (deficit), beginning of year	<u>(1,753,609)</u>	<u>59,019</u>	<u>(1,694,590)</u>
Net assets (deficit), end of year	<u>\$ (1,945,571)</u>	<u>\$ 17,371</u>	<u>\$ (1,928,200)</u>

See Notes to Financial Statements.

AID ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services			Total Program Services	Supporting services		Total Supporting Services	Totals
	Client Services	Education	Health Center		Development	Management and General		
Salaries	\$ 1,828,288	\$ 518,943	\$ 704,265	\$ 3,051,496	\$ 218,613	\$ 366,927	\$ 585,540	\$ 3,637,036
Employee benefits	576,425	139,054	172,758	888,237	60,412	90,052	150,464	1,038,701
Advertising	-	4,458	-	4,458	4,842	2,134	6,976	11,434
Contract services	34,229	178,901	304,400	517,530	10,598	44,031	54,629	572,159
Contributed goods and services	23,874	-	-	23,874	-	-	-	23,874
Direct expenses	-	21,922	644,657	666,579	-	-	-	666,579
Due and subscriptions	-	162	-	162	1,371	1,873	3,244	3,406
Emergency assistance	853,398	1,191	129,900	984,489	-	-	-	984,489
Equipment rental and maintenance	16,178	4,092	5,811	26,081	31,249	51,968	83,217	109,298
Hospitality	-	-	-	-	1,049	344	1,393	1,393
Interest and bank charges	58	162	714	934	3,483	27,881	31,364	32,298
Meetings and conference	1,742	-	671	2,413	1,690	4,006	5,696	8,109
Miscellaneous	-	-	-	-	-	14,446	14,446	14,446
Occupancy	113,398	69,783	98,357	281,538	15,868	118,781	134,649	416,187
Postage and shipping	1,012	335	3,700	5,047	2,350	718	3,068	8,115
Printing and newsletter	162	79	-	241	9,862	875	10,737	10,978
Professional fees	7,473	-	25	7,498	-	12,020	12,020	19,518
Special events	4,939	54,194	1,000	60,133	21,784	2,129	23,913	84,046
Staff development and workshops	2,058	2,273	365	4,696	9,069	2,549	11,618	16,314
Supplies	23,335	236,319	60,248	319,902	2,034	21,985	24,019	343,921
Telephone	47,859	18,219	8,886	74,964	6,356	24,231	30,587	105,551
Travel	492	284	472	1,248	106	792	898	2,146
Total expenses before depreciation	<u>3,534,920</u>	<u>1,250,371</u>	<u>2,136,229</u>	<u>6,921,520</u>	<u>400,736</u>	<u>787,742</u>	<u>1,188,478</u>	<u>8,109,998</u>
Depreciation	<u>39,646</u>	<u>2,163</u>	<u>11,296</u>	<u>53,105</u>	<u>4,296</u>	<u>25,586</u>	<u>29,882</u>	<u>82,987</u>
Total expenses	<u>\$ 3,574,566</u>	<u>\$ 1,252,534</u>	<u>\$ 2,147,525</u>	<u>\$ 6,974,625</u>	<u>\$ 405,032</u>	<u>\$ 813,328</u>	<u>\$ 1,218,360</u>	<u>\$ 8,192,985</u>

See Notes to Financial Statements.

AID ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services				Supporting Services			Totals
	Client Services	Education	Health Center	Total Program Services	Development	Management and General	Total Supporting Services	
Salaries	\$ 1,849,258	\$ 518,637	\$ 1,317,369	\$ 3,685,264	\$ 212,653	\$ 379,937	\$ 592,590	\$ 4,277,854
Employee benefits	574,667	139,754	351,826	1,066,247	65,876	96,590	162,466	1,228,713
Advertising	-	-	-	-	4,433	-	4,433	4,433
Contract services	57,514	334,301	231,648	623,463	18,257	41,169	59,426	682,889
Direct expenses	334	54,449	1,393,982	1,448,765	-	-	-	1,448,765
Due and subscriptions	-	-	150	150	1,605	264	1,869	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	122,065	178,061
Hospitality	150	-	-	150	1,120	260	1,380	1,530
Interest and bank charges	-	159	1,544	1,703	5,189	35,422	40,611	42,314
Meetings and conference	1,651	1,275	946	3,872	1,807	2,563	4,370	8,242
Miscellaneous	-	-	-	-	-	40,478	40,478	40,478
Occupancy	123,317	68,406	187,289	379,012	19,193	142,258	161,451	540,463
Postage and shipping	2,768	354	2,219	5,341	2,278	1,009	3,287	8,628
Printing and newsletter	1,985	-	142	2,127	5,822	1,170	6,992	9,119
Professional fees	4,039	-	1,552	5,591	-	25,895	25,895	31,486
Special events	7,757	12,536	150	20,443	11,821	1,198	13,019	33,462
Staff development and workshops	4,821	4,450	6,018	15,289	5,285	10,094	15,379	30,668
Supplies	39,662	225,546	70,113	335,321	5,487	21,689	27,176	362,497
Telephone	39,981	17,126	17,466	74,573	8,585	11,967	20,552	95,125
Travel	3,477	293	635	4,405	1,845	635	2,480	6,885
Total expenses before depreciation	<u>4,344,039</u>	<u>1,388,092</u>	<u>3,698,336</u>	<u>9,430,467</u>	<u>422,386</u>	<u>883,533</u>	<u>1,305,919</u>	<u>10,736,386</u>
Depreciation	<u>28,267</u>	<u>9,187</u>	<u>22,469</u>	<u>59,923</u>	<u>5,564</u>	<u>10,614</u>	<u>16,178</u>	<u>76,101</u>
Total expenses	<u>\$ 4,372,306</u>	<u>\$ 1,397,279</u>	<u>\$ 3,720,805</u>	<u>\$ 9,490,390</u>	<u>\$ 427,950</u>	<u>\$ 894,147</u>	<u>\$ 1,322,097</u>	<u>\$ 10,812,487</u>

See Notes to Financial Statements.

AID ATLANTA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (259,040)	\$ (233,610)
Adjustments to reconcile change in net assets to net cash (used in) operating activities:		
Depreciation	82,987	76,101
(Gain) on disposal of assets	12,582	-
(Increase) decrease in:		
Grants receivable	274,734	(754,875)
Pledges receivable	5,780	(5,626)
Prepaid expenses	(1,520)	86,955
Other assets	(1,108)	(205)
Increase (decrease) in:		
Accounts payable and accrued expenses	(191,011)	(57,525)
Accrued compensated absences	(64,832)	12,910
Deferred rent	-	(16,346)
Net cash (used in) operating activities	<u>(141,428)</u>	<u>(892,221)</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	<u>(38,917)</u>	<u>(74,408)</u>
Net cash (used in) investing activities	<u>(38,917)</u>	<u>(74,408)</u>
FINANCING ACTIVITIES		
Advances from AHF	3,352,474	5,895,098
Advances to AHF	<u>(3,145,746)</u>	<u>(4,945,459)</u>
Net cash provided by financing activities	<u>206,728</u>	<u>949,639</u>
Increase (decrease) in cash	26,383	(16,990)
Cash, beginning of year	<u>370,693</u>	<u>387,683</u>
Cash, end of year	<u>\$ 397,076</u>	<u>\$ 370,693</u>

See Notes to Financial Statements.

AID ATLANTA, INC.
NOTES TO FINANCIAL STATEMENTS

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, 2021 and 2020, 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 restriction 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

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.

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

NOTES TO FINANCIAL STATEMENTS

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 goods and services of \$23,847 during the year ended December 31, 2021. 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 currently evaluating the effect that ASU 2016-02 will have on its financial statements and related disclosures.

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 \$112,471 and \$131,318 to the plan during the years ended December 31, 2021 and 2020, respectively.

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2021</u>	<u>2020</u>
Furniture and equipment	\$ 1,904,367	\$ 1,885,129
Leasehold improvements	375,596	375,596
Software	34,968	34,968
Artwork	12,800	12,800
	<u>2,327,731</u>	<u>2,308,493</u>
Less accumulated depreciation	<u>(2,204,665)</u>	<u>(2,128,775)</u>
	<u>\$ 123,066</u>	<u>\$ 179,718</u>

Depreciation expense for the years ended December 31, 2021 and 2020 was \$82,987 and \$76,101, respectively.

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>2021</u>	<u>2020</u>
Client Services	\$ 12,173	\$ 12,055
Development	-	4,800
Housing	45,000	516
	<u>\$ 57,173</u>	<u>\$ 17,371</u>

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:

	2021	2020
Subject to expenditure for specified purpose:		
Cash	\$ 57,173	\$ 17,371
	\$ 57,173	\$ 17,371

NOTE 5. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during 2021 and 2020 by incurring expenses satisfying the restricted purposes specified by donors as follows:

	2021	2020
Education	\$ 24,877	\$ 57,102
Client Services	24,865	37,962
Development	6,921	200
Housing	517	23,926
	\$ 57,180	\$ 119,190

NOTE 6. 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.

NOTE 7. 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:

2022	\$ 239,926
2023	10,254
2024	9,729
2025	3,954
2026	3,954
Thereafter	659
	\$ 268,476

Total rent expense for the years ended December 31, 2021 and 2020 was \$334,109 and \$382,693, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 8. 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 2021 and 2020, the Organization received 61% and 62%, respectively, of its funding from government grants. Also during 2021 and 2020, the Organization received \$2,453,906 and \$3,376,466 (32% 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 9. RELATED PARTY TRANSACTIONS

During 2021 and 2020, AHF provided support to the Organization totaling \$2,453,906 and \$3,376,466, 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 has also extended credit to the Organization in the form of an interest free deferred payable which was used for funding operations. The payable had a balance at December 31, 2021 and 2020 of \$3,969,182 and \$3,762,454, 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, 2022 and foreseeable future is not anticipated.

NOTE 10. 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, 2021 and 2020, comprise the following:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents (without donor restrictions)	\$ 339,903	\$ 353,322
Grants receivable	1,602,651	1,877,385
Pledges receivable	15,803	21,583
	<u>\$ 1,958,357</u>	<u>\$ 2,252,290</u>

As described in Notes 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 11. 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.

NOTES TO FINANCIAL STATEMENTS

NOTE 12. SUBSEQUENT EVENTS

The Organization evaluated its December 31, 2021 financial statements for subsequent events through July 18, 2022, the date the financial statements were available to be issued.

SUPPLEMENTAL INFORMATION

AID ATLANTA, INC.

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

Federal Grantor/Program	Assistance Listing	Grant ID Numbers	Federal Expenditures
<u>U.S. Department of Health and Human Services</u>			
Passed-through Fulton County, Georgia			
HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A)	93.914	2 HA89HA00007-29-00	\$ 364,886
HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A)	93.914	2 HA89HA00007-32	1,268,324
			1,633,210
Passed-through Fulton County, Georgia			
HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A) (CARES)	93.914	20SC125907B COVID-19	80,483
Passed-through Fulton County, Georgia			
Ryan White Part C Outpatient EIS Program	93.918	H7CHA37212	101,709
Ryan White Part C Outpatient EIS Program	93.918	H76HA28471	297,182
			398,891
Passed-through Fulton County, Georgia			
Ryan White Part C CAF - Newnan (CARES)	93.918	H7CHA37212	100,884
Passed-through Fulton County, Georgia			
Comprehensive HIV Prevention Program for Fulton and DeKalb	93.940	16RFP09092016A-CJC	85,590
Passed-through the Georgia Department of Public Health			
Information Line	93.940	40500-044-12100303	110,000
			195,590
Passed through the Centers for Disease Control and Prevention			
HIV Prevention Activities - Non-Governmental Organization Based	93.939	6 NU65PS004726-05-02	371,549
HIV Prevention Activities - Non-Governmental Organization Based	93.939	6 NU62PS924684-01-01	166,099
			537,648
Passed Through the Georgia Department of Public Health			
Ryan White Part B - Haven of Hope	93.917	40500-044-20192809	119,457
Ryan White Part B - Haven of Hope	93.917	40500-044-21192809	380,834
			500,291
Total U.S. Department of Health and Human Services			\$ 3,446,997
<u>U.S. Department of Housing and Urban Development</u>			
Passed-through City of Atlanta, Georgia			
Housing Opportunities for Persons with AIDS Program	14.241	250132581	1,387,118
HOPWA DCA : Department of Community Affairs	14.241	21C298	11,445
			1,398,563
Passed-through City of Atlanta, Georgia			
CARES Act Fund: Housing Opportunities for Persons with AIDS Program (CARES)	14.241	250132582	34,419
Total U.S. Department of Housing and Urban Development			\$ 1,432,982
Total Expenditures of Federal Awards			\$ 4,879,979

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, 2021

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, 2021. 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 not 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***

**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), which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated July 18, 2022.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered AID Atlanta, 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 AID Atlanta, Inc.'s internal control. Accordingly, we do not express an opinion on the effectiveness of the AID Atlanta, 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 a 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 were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the AID Atlanta, 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 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
July 18, 2022



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

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

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited AID Atlanta, 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 AID Atlanta, Inc.'s major federal programs for the year ended December 31, 2021. AID Atlanta, 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, AID Atlanta, 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 AID Atlanta, 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 AID Atlanta, 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 AID Atlanta, Inc.'s federal programs.

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 AID Atlanta, 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 AID Atlanta, 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 AID Atlanta, 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 AID Atlanta, 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 AID Atlanta, 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.

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
July 18, 2022

AID ATLANTA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2021

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>None reported</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>None reported</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	93,914	
Housing Opportunities for Person with AIDS Program	14,241	
Dollar threshold used to distinguish between type A and type B programs	\$ 750,000	
	<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, 2021

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, 2020

SECTION II – FINANCIAL STATEMENT FINDINGS:

None

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

None