



MAULDIN & JENKINS

CPAs & ADVISORS

AID ATLANTA, INC.

FINANCIAL REPORT

DECEMBER 31, 2023

AID ATLANTA, INC.

FINANCIAL REPORT

DECEMBER 31, 2023

AID ATLANTA, INC.

FINANCIAL REPORT DECEMBER 31, 2023

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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, 2023 and 2022, 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, 2023 and 2022, 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 April 30, 2024 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
April 30, 2024

AID ATLANTA, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2023 AND 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
CURRENT ASSETS		
Cash	\$ 132,118	\$ 620,352
Grants receivable, net	1,468,761	845,259
Pledges receivable	256,058	14,016
Prepaid expenses	49,362	40,272
Other assets	19,675	17,000
Total current assets	1,925,974	1,536,899
PROPERTY AND EQUIPMENT, NET	152,935	106,189
RIGHT-OF-USE ASSET	147,264	221,971
Total assets	\$ 2,226,173	\$ 1,865,059
<u>LIABILITIES AND NET ASSETS (DEFICIT)</u>		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 312,986	\$ 175,099
Accrued compensated absences	139,574	111,820
Operating lease liability	82,456	71,806
Total current liabilities	535,016	358,725
LONG-TERM LIABILITIES		
Payable to AIDS Healthcare Foundation	-	3,995,167
Operating lease liability, net of current portion	66,418	150,725
Total long-term liabilities	66,418	4,145,892
Total liabilities	601,434	4,504,617
NET ASSETS (DEFICIT)		
Without donor restrictions	1,565,336	(2,716,836)
With donor restrictions	59,403	77,278
Total net asset (deficit)	1,624,739	(2,639,558)
Total liabilities and net asset (deficit)	\$ 2,226,173	\$ 1,865,059

See Notes to Financial Statements.

AID ATLANTA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Public support			
Foundation grants	\$ 1,000	\$ 40,200	\$ 41,200
Funding from AHF	2,060,788	-	2,060,788
Governmental grants	5,245,868	16,200	5,262,068
Insurance reimbursements	71,191	-	71,191
Contributions and memorials	108,081	-	108,081
AIDS Walk, including in-kind donations	221,392	25,000	246,392
Special events	40,857	635	41,492
Total public support	<u>7,749,177</u>	<u>82,035</u>	<u>7,831,212</u>
Other revenue	71,305	-	71,305
Forgiveness of related-party payable	4,839,271	-	4,839,271
Net assets released from restrictions	<u>99,910</u>	<u>(99,910)</u>	<u>-</u>
Total revenues	<u>12,759,663</u>	<u>(17,875)</u>	<u>12,741,788</u>
EXPENSES			
Program services			
Client services	4,120,826	-	4,120,826
Education	1,088,126	-	1,088,126
Health center	1,726,014	-	1,726,014
Total program services	<u>6,934,966</u>	<u>-</u>	<u>6,934,966</u>
Supporting services			
AIDS Walk and development	464,087	-	464,087
Management and general	1,078,438	-	1,078,438
Total supporting services	<u>1,542,525</u>	<u>-</u>	<u>1,542,525</u>
Total expenses	<u>8,477,491</u>	<u>-</u>	<u>8,477,491</u>
Change in net assets (deficit)	4,282,172	(17,875)	4,264,297
Net (deficit) assets, beginning of year	<u>(2,716,836)</u>	<u>77,278</u>	<u>(2,639,558)</u>
Net assets, end of year	<u>\$ 1,565,336</u>	<u>\$ 59,403</u>	<u>\$ 1,624,739</u>

See Notes to Financial Statements.

AID ATLANTA, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES			
Public support			
Foundation grants	\$ 6,925	\$ 57,200	\$ 64,125
Funding from AHF	2,301,845	-	2,301,845
Governmental grants	4,628,873	8,333	4,637,206
Insurance reimbursements	79,257	-	79,257
Contributions and memorials	157,260	500	157,760
AIDS Walk	211,658	50,000	261,658
Special events, including in-kind donations	80,434	9,100	89,534
Total public support	<u>7,466,252</u>	<u>125,133</u>	<u>7,591,385</u>
Other revenue	132,591	-	132,591
Net assets released from restrictions	<u>105,028</u>	<u>(105,028)</u>	<u>-</u>
Total revenues	<u>7,703,871</u>	<u>20,105</u>	<u>7,723,976</u>
EXPENSES			
Program services			
Client services	3,758,317	-	3,758,317
Education	1,228,604	-	1,228,604
Health center	<u>1,524,530</u>	<u>-</u>	<u>1,524,530</u>
Total program services	6,511,451	-	6,511,451
Supporting services			
AIDS Walk and development	552,955	-	552,955
Management and general	<u>1,111,888</u>	<u>-</u>	<u>1,111,888</u>
Total supporting services	1,664,843	-	1,664,843
Total expenses	<u>8,176,294</u>	<u>-</u>	<u>8,176,294</u>
Change in net assets (deficit)	(472,423)	20,105	(452,318)
Net assets (deficit), beginning of year	<u>(2,244,413)</u>	<u>57,173</u>	<u>(2,187,240)</u>
Net assets (deficit), end of year	<u>\$ (2,716,836)</u>	<u>\$ 77,278</u>	<u>\$ (2,639,558)</u>

See Notes to Financial Statements.

AID ATLANTA, INC.

STATEMENT OF FUNCTIONAL EXPENSES FOR THE YEAR ENDED DECEMBER 31, 2023

	Program Services			Total Program Services	Supporting Services			Totals
	Client Services	Education	Health Center		Development	Management and General	Total Supporting Services	
Salaries	\$ 1,969,466	\$ 588,888	\$ 733,775	\$ 3,292,129	\$ 259,837	\$ 523,680	\$ 783,517	\$ 4,075,646
Employee benefits	705,583	165,442	188,902	1,059,927	73,464	123,445	196,909	1,256,836
Advertising	750	6,928	-	7,678	4,900	-	4,900	12,578
Contract services	18,826	72,521	395,819	487,166	2,257	35,522	37,779	524,945
Professional Fees	1,041	-	-	1,041	-	29,883	29,883	30,924
Direct expenses	-	-	26,140	26,140	-	-	-	26,140
Dues and subscriptions	1,523	170	-	1,693	655	7,118	7,773	9,466
License fees	34,077	3,439	-	37,516	-	15,790	15,790	53,306
Emergency assistance	1,095,130	-	94,882	1,190,012	-	114	114	1,190,126
Equipment rental and maintenance	4,339	1,699	8,153	14,191	37,220	70,352	107,572	121,763
Interest and bank charges	-	112	1,048	1,160	3,825	27,513	31,338	32,498
Lab fees	-	-	123,805	123,805	-	-	-	123,805
Meetings amd conference	11,995	5,101	1,609	18,705	1,790	4,960	6,750	25,455
Occupancy	140,953	70,258	117,439	328,650	17,673	157,351	175,024	503,674
Postage and shipping	3,810	491	359	4,660	574	50	624	5,284
Printing and newsletter	302	1,474	425	2,201	9,163	1,432	10,595	12,796
Special events/organizational events	14,147	71,965	193	86,305	25,839	457	26,296	112,601
Staff developments and workshops	40	932	624	1,596	355	1,825	2,180	3,776
Supplies	44,637	56,322	16,646	117,605	3,632	15,073	18,705	136,310
Hospitality	1,292	316	1,121	2,729	740	6,218	6,958	9,687
Communication	48,607	20,922	7,113	76,642	8,521	31,125	39,646	116,288
Travel	1,318	4,778	928	7,024	2,966	940	3,906	10,930
Other expenses	-	144	39	183	-	10,309	10,309	10,492
Provision for estimated credit losses	-	15,288	-	15,288	-	-	-	15,288
Total expenses before depreciation	4,097,836	1,087,190	1,719,020	6,904,046	453,411	1,063,157	1,516,568	8,420,614
Depreciation	22,990	936	6,994	30,920	10,676	15,281	25,957	56,877
Total expenses	\$ 4,120,826	\$ 1,088,126	\$ 1,726,014	\$ 6,934,966	\$ 464,087	\$ 1,078,438	\$ 1,542,525	\$ 8,477,491

See Notes to Financial Statements.

AID ATLANTA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2022

	Program Services			Total Program Services	Supporting services		Total Supporting Services	Totals
	Client Services	Education	Health Center		Development	Management and General		
Salaries	\$ 1,806,972	\$ 557,831	\$ 751,091	\$ 3,115,894	\$ 261,468	\$ 454,467	\$ 715,935	\$ 3,831,829
Employee benefits	583,040	121,534	167,338	871,912	69,998	100,256	170,254	1,042,166
Advertising	499	-	250	749	2,170	28	2,198	2,947
Bad debt	16,651	-	-	16,651	-	-	-	16,651
Contract services	66,125	64,174	82,271	212,570	8,089	57,278	65,367	277,937
Direct expenses	-	-	72,118	72,118	-	-	-	72,118
Due and subscriptions	477	166	480	1,123	1,376	30,012	31,388	32,511
Emergency assistance	975,289	-	90,182	1,065,471	-	-	-	1,065,471
Equipment rental and maintenance	12,017	1,733	8,138	21,888	25,328	67,282	92,610	114,498
Hospitality	2,786	406	4,752	7,944	7,893	10,312	18,205	26,149
Interest and bank charges	-	217	296	513	4,680	30,596	35,276	35,789
Lab fees	-	-	198,813	198,813	-	-	-	198,813
Meetings and conference	2,655	3,277	3,365	9,297	191	9,002	9,193	18,490
Miscellaneous	-	-	-	-	-	48,480	48,480	48,480
Occupancy	132,830	67,911	104,643	305,384	17,198	202,461	219,659	525,043
Postage and shipping	3,083	566	471	4,120	1,153	1,040	2,193	6,313
Printing and newsletter	2,600	821	621	4,042	18,347	3,523	21,870	25,912
Professional fees	52,496	-	1,123	53,619	1,310	37,575	38,885	92,504
Special events	20,325	96,351	349	117,025	109,159	3,203	112,362	229,387
Staff development and workshops	3,000	-	5,591	8,591	1,200	1,426	2,626	11,217
Supplies	20,781	289,169	23,956	333,906	8,041	19,342	27,383	361,289
Communication	38,952	17,008	2,252	58,212	7,114	22,395	29,509	87,721
Travel	745	6,746	1,260	8,751	349	1,914	2,263	11,014
Total expenses before depreciation	<u>3,741,323</u>	<u>1,227,910</u>	<u>1,519,360</u>	<u>6,488,593</u>	<u>545,064</u>	<u>1,100,592</u>	<u>1,645,656</u>	<u>8,134,249</u>
Depreciation	<u>16,994</u>	<u>694</u>	<u>5,170</u>	<u>22,858</u>	<u>7,891</u>	<u>11,296</u>	<u>19,187</u>	<u>42,045</u>
Total expenses	<u>\$ 3,758,317</u>	<u>\$ 1,228,604</u>	<u>\$ 1,524,530</u>	<u>\$ 6,511,451</u>	<u>\$ 552,955</u>	<u>\$ 1,111,888</u>	<u>\$ 1,664,843</u>	<u>\$ 8,176,294</u>

See Notes to Financial Statements.

AID ATLANTA, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
OPERATING ACTIVITIES		
Change in net assets	\$ 4,264,297	\$ (452,318)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation	56,877	42,045
(Gain) on disposal of assets	-	(15,322)
Forgiveness of related-party payable	(4,839,271)	-
(Increase) decrease in:		
Grants receivable	(623,502)	757,392
Pledges receivable	(242,042)	1,787
Prepaid expenses	(9,090)	(17,786)
Other assets	(2,675)	(274)
Increase (decrease) in:		
Accounts payable and accrued expenses	137,887	(128,530)
Accrued compensated absences	27,754	19,583
Lase liability, net	1,050	560
Net cash (used in) provided by operating activities	<u>(1,228,715)</u>	<u>207,137</u>
INVESTING ACTIVITIES		
Purchases of property and equipment	(103,623)	(9,846)
Net cash (used in) investing activities	<u>(103,623)</u>	<u>(9,846)</u>
FINANCING ACTIVITIES		
Advances from AHF	10,171,154	2,727,163
Payments to AHF	(9,327,050)	(2,701,178)
Net cash provided by financing activities	<u>844,104</u>	<u>25,985</u>
(Decrease) increase in cash	(488,234)	223,276
Cash, beginning of year	<u>620,352</u>	<u>397,076</u>
Cash, end of year	<u>\$ 132,118</u>	<u>\$ 620,352</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 nonprofit 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 the 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, 2023 and 2022, 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

Lease Accounting:

The Organization determines whether to account for its leases as operating, capital, or financing leases depending on the underlying terms of the lease agreement. This determination of classification is complex and requires significant judgment relating to certain information including the estimated fair value and remaining economic life of the leased asset, the Organization's cost of funds, minimum lease payments, and other lease terms.

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 \$- and \$29,962 during the years ended December 31, 2023 and 2022, respectively.

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:

On January 1, 2023, the Organization adopted ASU 2016-13, *Financial Instruments – Credit Losses* (Topic 326): *Measurement of Credit Losses on Financial Instruments*, as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (“CECL”) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables, loan commitments, leases, financial guarantees, and held to maturity debt securities. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments) and net investments in leases recognized by a lessor in accordance with Topic 842 on leases. In addition, ASC 326 made changes to the accounting for available for sale debt securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available for sale debt securities that management does not intend to sell or believes that it is more likely than not they will be required to sell.

The Organization adopted ASC 326 using the modified retrospective method for all financial assets measured at amortized cost and off-balance sheet credit exposures. Results for reporting periods beginning after January 1, 2023 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP. There were no material impact to the estimate of credit losses as a result of adoption of ASC 326.

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 pretax 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 \$122,624 and \$114,269 to the plan during the years ended December 31, 2023 and 2022, respectively.

NOTE 3. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

	<u>2023</u>	<u>2022</u>
Furniture and equipment	\$ 1,984,544	\$ 1,914,213
Leasehold improvements	378,752	375,596
Software	65,105	34,968
Artwork	12,800	12,800
	<u>2,441,201</u>	<u>2,337,577</u>
Less accumulated depreciation	<u>(2,288,266)</u>	<u>(2,231,388)</u>
	<u>\$ 152,935</u>	<u>\$ 106,189</u>

Depreciation expense for the years ended December 31, 2023 and 2022 was \$56,877 and \$42,045, respectively.

NOTES TO FINANCIAL STATEMENTS

NOTE 4. NET ASSETS WITH DONOR RESTRICTIONS

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

	2023	2022
Client Services	\$ 9,656	\$ 20,927
Development	666	5,042
Education	16,200	3,686
Housing	32,881	47,623
	\$ 59,403	\$ 77,278

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

	2023	2022
Subject to expenditure for specified purpose:		
Cash	\$ 59,403	\$ 77,278
	\$ 59,403	\$ 77,278

NOTE 5. NET ASSETS RELEASED FROM RESTRICTIONS

Net assets were released from donor restrictions during 2023 and 2022 by incurring expenses satisfying the restricted purposes specified by donors as follows:

	2023	2022
Education	\$ 3,686	\$ 4,647
Client Services	52,106	53,046
Development	4,377	-
Housing	39,741	47,335
	\$ 99,910	\$ 105,028

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. LEASES

The Organization is currently obligated under several noncancelable operating leases for office space and equipment which expire at various dates through 2027.

In 2022, the Organization adopted FASB Accounting Standards Update (ASU) No. 2016-02, ASC 842, *Leases*, which requires the recognition of a right-of-use asset and a lease liability based on the present value of the remaining lease payments. The Organization's incremental borrowing rate of 7.5% was used as the discount rate in order to determine present value. The following is a schedule by years of minimum future rentals on noncancelable operating leases and the amortization of the net present value (NPV) of the lease liability as of December 31, 2023:

NOTES TO FINANCIAL STATEMENTS

NOTE 7. LEASES (Continued)

For the year ending December 31:	Minimum annual lease payments	Amortization of operating lease liability	Amortization of right-to-use asset
2024	\$ 87,774	\$ 82,456	\$ 79,161
2025	68,640	61,987	63,672
2026	3,954	3,774	3,774
2027	659	657	657
	\$ 161,027	\$ 148,874	\$ 147,264

Total rent expense for the years ended December 31, 2023 and 2022 was \$430,053 and \$448,732, respectively and included in occupancy expense in the statements of functional expenses. It is anticipated that the operating leases that expire will be replaced by similar agreements.

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 2023 and 2022, the Organization received 41% and 60%, respectively, of its funding from government grants. Also during 2023 and 2022, the Organization received \$6,900,059 and \$2,301,845 (54% and 30% 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 2023 and 2022, AHF provided support to the Organization totaling \$2,060,788 and \$2,301,845, 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 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, 2022 of \$3,995,167. AHF forgave the interest free deferred payable in the amount of \$4,839,270 in 2023 and is included in the net assets without donor restrictions on the accompanying statement of activities.

NOTES TO FINANCIAL STATEMENTS

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, 2023 and 2022, comprise the following:

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents (without donor restrictions)	\$ 72,715	\$ 543,074
Grants receivable	1,468,761	845,259
Pledges receivable	256,058	14,016
	<u>\$ 1,797,534</u>	<u>\$ 1,402,349</u>

As described in Notes 1 and 9, the Organization receives support from AHF to help manage unanticipated liquidity needs. During the year, AHF advanced the Organization any needed funds through an intercompany payable. This is determined based on the needs of the Organization.

NOTE 11. SUBSEQUENT EVENTS

The Organization evaluated its December 31, 2023 financial statements for subsequent events through April 30, 2024, 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, 2023

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	118 16SC102363B-2	\$ 213,298
HIV Emergency Relief Project Grants (Ryan White HIV/AIDS Program Part A)	93.914	118-17106803B	1,416,955
			1,630,253
Passed-through Fulton County, Georgia			
Ending the HIV Epidemic (Ryan White HIV/AIDS Program Part A)	93.686	21RFPRW0708B-EC	280,395
Passed-through Fulton County, Georgia			
Ryan White Part C Outpatient EIS Program	93.918	H76HA28471	558,792
			558,792
Passed-through Fulton County, Georgia			
Comprehensive HIV Prevention Program for Fulton and DeKalb	93.940	16RFP09092016A-CJC	117,074
Passed-through the Georgia Department of Public Health			
Information Line	93.940	40500-044-12100303	110,000
			227,074
Passed through the Centers for Disease Control and Prevention			
HIV Prevention Activities - Non-Governmental Organization Based	93.939	NU62PS924684	201,133
HIV Prevention Activities - Non-Governmental Organization Based	93.939	5NU65PS004726-02-00	215,316
			416,449
Passed Through the Georgia Department of Public Health			
Ryan White Part B - Haven of Hope	93.917	40500-044-21192809	468,044
			468,044
Total U.S. Department of Health and Human Services			\$ 3,581,007
<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	250131963/250132042	\$ 1,509,482
HOPWA DCA: Dept. of Community Affairs	14.241	2019 HOPWA 19C013	18,800
HOPWA DCA: Dept. of Community Affairs	14.241	2018 18H HOPWA 18C085	58,625
			1,586,907
Passed-through City of Atlanta, Georgia			
CARES Act Fund: Housing Opportunities for Persons with AIDS Program (CARES)	14.241	250132582	27,891
Total U.S. Department of Housing and Urban Development			\$ 1,614,798
Total Expenditures of Federal Awards			\$ 5,195,805

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, 2023

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, 2023. 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, 2023, 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 April 30, 2024.

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
April 30, 2024



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, 2023. 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, 2023.

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
April 30, 2024

AID ATLANTA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS:

Financial Statements:

Type of auditor's report issued	Unmodified	
	Yes	No
Internal control over financial reporting:		
Material weaknesses identified?		X
Significant deficiencies identified not considered to be material weaknesses?		None reported
Noncompliance material to the financial statements noted?		X

Federal Awards:

Internal controls over major programs:		
Material weaknesses identified?		X
Significant deficiencies identified not considered to be material weaknesses?		None reported
Type of auditor's report issued on compliance for major programs	Unmodified	
Audit findings required to be reported in accordance with 2 CFR Section 200.516(a)	No	

Identification of major programs:

HIV Emergency Relief Project Grants	93,914		
Dollar threshold used to distinguish between Type A and Type B programs	\$ 750,000		
		Yes	No
Auditee qualified as low-risk auditee?		X	
Financial statement findings?			X
Findings and questioned costs for federal awards?			X

AID ATLANTA, INC.
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2023

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, 2022

SECTION II – FINANCIAL STATEMENT FINDINGS:

None

SECTION III – FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS:

None