

**AID GWINNETT, INC.**

Providing HIV Prevention Education, Client Services,  
Volunteer Programs, and Advocacy to:  
Gwinnett, Rockdale, & Newton Counties

**FINANCIAL STATEMENTS AND  
SUPPLEMENTAL INFORMATION**

**For the Year Ended December 31, 2010  
with  
Independent Auditors' Report**

**AID GWINNETT, INC.**  
Providing HIV Prevention Education, Client Services,  
Volunteer Programs, and Advocacy To:  
Gwinnett, Rockdale, & Newton Counties

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**December 31, 2010**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
AID Gwinnett, Inc.  
Duluth, Georgia

We have audited the accompanying statement of financial position of AID Gwinnett, Inc. (the Agency) as of December 31, 2010 and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the management of AID Gwinnett, Inc. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Agency's December 31, 2009 financial statements, and in our report dated May 14, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AID Gwinnett, Inc. as of December 31, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2011 on our consideration of AID Gwinnett, Inc.'s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



GIFFORD, HILLEGASS & INGWERSEN, LLP

June 23, 2011  
Atlanta, Georgia

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Suite 600  
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## AID GWINNETT, INC.

Providing HIV Prevention Education, Client Services,  
Volunteer Programs, and Advocacy to:  
Gwinnett, Rockdale, & Newton Counties

### STATEMENTS OF FINANCIAL POSITION

December 31, 2010 and 2009

	2010	2009
<b>Assets</b>		
Cash	\$ 6,055	\$ 2,687
Clinic receivables	4,953	-
Grants receivable	164,386	263,448
Prepaid expenses	19,828	19,735
Property and equipment, net of accumulated depreciation (Notes B and C)	110,296	151,700
Deposits	2,000	2,000
<b>TOTAL ASSETS</b>	<b>\$ 307,518</b>	<b>\$ 439,570</b>
<b>Liabilities</b>		
Accounts payable and accrued liabilities	\$ 49,870	\$ 123,959
Line of credit (Note D)	-	29,957
<b>TOTAL LIABILITIES</b>	<b>49,870</b>	<b>153,916</b>
<b>Commitments</b> (Notes E and H)		
<b>Net Assets</b>		
Temporarily restricted (Note F)	67,813	100,695
Unrestricted	189,835	184,959
<b>TOTAL NET ASSETS</b>	<b>257,648</b>	<b>285,654</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 307,518</b>	<b>\$ 439,570</b>

*See accompanying notes.*

## AID GWINNETT, INC.

Providing HIV Prevention Education, Client Services,  
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Gwinnett, Rockdale, & Newton Counties

### STATEMENT OF ACTIVITIES

**For the Year Ended December 31, 2010**  
*(with comparative totals for 2009)*

	2010			2009
	Unrestricted	Temporarily Restricted	Total	Total
<b>Public Support and Revenue</b>				
Federal grants (Note G)	\$ 1,894,890	\$ -	\$ 1,894,890	\$ 2,102,817
Contributions	68,613	167,000	235,613	242,120
Special events	24,496	-	24,496	20,893
Other income	87,363	-	87,363	31,676
<b>TOTAL PUBLIC SUPPORT AND REVENUE</b>	<b>2,075,362</b>	<b>167,000</b>	<b>2,242,362</b>	<b>2,397,506</b>
<b>Net Assets Released from Restrictions</b>	<b>199,882</b>	<b>(199,882)</b>	<b>-</b>	<b>-</b>
<b>NET PUBLIC SUPPORT AND REVENUE</b>	<b>2,275,244</b>	<b>(32,882)</b>	<b>2,242,362</b>	<b>2,397,506</b>
<b>Expenses</b>				
Program services				
Client services and housing	654,584	-	654,584	615,791
Medical services	1,193,173	-	1,193,173	1,241,172
HIV prevention education	303,114	-	303,114	334,436
Supporting services				
Management and general	96,465	-	96,465	120,456
Fundraising	23,032	-	23,032	13,536
<b>TOTAL EXPENSES</b>	<b>2,270,368</b>	<b>-</b>	<b>2,270,368</b>	<b>2,325,391</b>
<b>CHANGE IN NET ASSETS</b>	<b>4,876</b>	<b>(32,882)</b>	<b>(28,006)</b>	<b>72,115</b>
<b>Net Assets at Beginning of Year</b>	<b>184,959</b>	<b>100,695</b>	<b>285,654</b>	<b>213,539</b>
<b>Net Assets at End of Year</b>	<b>\$ 189,835</b>	<b>\$ 67,813</b>	<b>\$ 257,648</b>	<b>\$ 285,654</b>

See accompanying notes.

**AID GWINNETT, INC.**

Providing HIV Prevention Education, Client Services,  
 Volunteer Programs, and Advocacy to:  
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**STATEMENT OF FUNCTIONAL EXPENSES****For the Year Ended December 31, 2010***(with comparative totals for 2009)*

	2010		
	Program Services		
	Client Services	Medical Services	HIV Prevention Education
Salaries	\$ 308,640	\$ 351,717	\$ 157,071
Payroll taxes	24,637	28,076	12,538
Employee benefits	31,186	50,542	20,432
<b>TOTAL SALARIES AND RELATED EXPENSES</b>	<b>364,463</b>	<b>430,335</b>	<b>190,041</b>
Contract services	12,042	529,095	17,040
Housing assistance	107,057	-	-
Insurance	4,607	9,107	1,500
Newsletter	343	272	329
Nutrition	5,625	2,000	-
Office expense	17,593	31,003	8,326
Pharmacy	150	71,476	-
Professional fees	12,483	8,137	-
Rent and utilities	45,768	62,073	34,376
Supplies	5,514	4,345	31,936
Telephone expense	2,380	4,231	3,261
Transportation expense	22,547	3,405	14,608
Interest expense	-	-	-
Other	1,873	37,694	1,697
<b>TOTAL EXPENSES BEFORE DEPRECIATION</b>	<b>602,445</b>	<b>1,193,173</b>	<b>303,114</b>
Depreciation	52,139	-	-
<b>TOTAL EXPENSES</b>	<b>\$ 654,584</b>	<b>\$ 1,193,173</b>	<b>\$ 303,114</b>
<b>PERCENTAGE OF TOTAL EXPENSES</b>	<b>29%</b>	<b>53%</b>	<b>13%</b>

2010			2009
Supporting Services			
Management and General	Fund Raising	Total Expenses	Total Expenses
\$ 39,536	\$ 6,071	\$ 863,035	\$ 846,936
3,156	485	68,892	66,670
3,226	2,151	107,537	105,684
45,918	8,707	1,039,464	1,019,290
4,116	-	562,293	590,166
-	-	107,057	77,256
3,397	-	18,611	13,471
446	1,269	2,659	1,328
-	-	7,625	14,167
23,064	2,925	82,911	65,724
-	-	71,626	155,870
2,660	-	23,280	24,805
1,020	-	143,237	149,938
3,328	2,178	47,301	74,018
2,094	1,308	13,274	12,283
5,052	351	45,963	56,488
252	-	252	1,339
5,118	6,294	52,676	13,080
96,465	23,032	2,218,229	2,269,223
-	-	52,139	56,168
<u>\$ 96,465</u>	<u>\$ 23,032</u>	<u>\$ 2,270,368</u>	<u>\$ 2,325,391</u>
4%	1%	100%	

*See accompanying notes.*

## AID GWINNETT, INC.

Providing HIV Prevention Education, Client Services,  
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### STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ (28,006)	\$ 72,115
Adjustments to reconcile change in net assets to cash provided by operating activities		
Depreciation	52,139	56,168
Gain on disposal of fixed asset	-	(2,950)
(Increase) decrease in:		
Accounts receivable	(4,953)	-
Grants receivable	99,062	(129,379)
Prepaid expenses	(93)	25,066
Increase (decrease) in:		
Accounts payable and accrued liabilities	(74,089)	29,482
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<u>44,060</u>	<u>50,502</u>
<b>Cash Flows from Investing Activities</b>		
Proceeds from disposals of fixed asset	-	2,950
Purchase of property and equipment	(10,735)	(44,248)
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<u>(10,735)</u>	<u>(41,298)</u>
<b>Cash Flows from Financing Activities</b>		
Net line of credit repayments	(29,957)	(10,043)
<b>NET CASH USED IN FINANCING ACTIVITIES</b>	<u>(29,957)</u>	<u>(10,043)</u>
<b>Net Increase (Decrease) in Cash</b>	3,368	(839)
<b>Cash at Beginning of Year</b>	<u>2,687</u>	<u>3,526</u>
<b>Cash at End of Year</b>	<u>\$ 6,055</u>	<u>\$ 2,687</u>
<b>Supplemental Cash Flow Disclosures</b>		
Cash paid during the year for interest	<u>\$ 252</u>	<u>\$ 1,339</u>

See accompanying notes.

## **AID GWINNETT, INC.**

Providing HIV Prevention Education, Client Services,  
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### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2010 and 2009**

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#### **NOTE A—ORGANIZATION**

AID Gwinnett, Inc. (the Agency) is a not-for-profit organization incorporated on September 26, 1991 under the laws of the State of Georgia. The Agency is a community based agency organized to respond with compassion and sensitivity to the HIV/AIDS epidemic through support, advocacy, education, and collaboration with other agencies. Client support services include medical care, long term housing, emergency housing assistance, emergency shelter, medical case management, education, counseling, transportation and nutrition. Public awareness and education include adult and youth education programs, newsletters, and community advocacy. The Agency provides services to individuals in Gwinnett, Rockdale and Newton Counties. It is supported primarily by contributions and grants.

#### **NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting: The Agency prepares its financial statements in accordance with Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 958-205, *Not-for-Profit Entities Presentation of Financial Statements*. Under FASB ASC 958, the Agency reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. At December 31, 2010 and 2009, the Agency did not have any permanently restricted net assets.

Contributions: Contributions are recorded and presented in accordance with FASB ASC 958-605, *Not-for-Profit Entities Revenue Recognition*. Contributions are recognized when the donor makes a promise to give to the Agency that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. During the years ended December 31, 2010 and 2009, the Agency did not receive any permanently restricted contributions.

## **AID GWINNETT, INC.**

Providing HIV Prevention Education, Client Services,  
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### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2010 and 2009**

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#### **NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued**

Contributions receivable are recorded when the promise is made and are normally receivable within a year. The Agency did not have any contributions receivable at December 31, 2010 and 2009. Grants receivable relate to reimbursement basis grants and are recorded when related expenditures are made. (See Note G.) The Agency uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of specific promises made. Management did not believe that an allowance was necessary at December 31, 2010 or 2009.

Clinic Revenue and Receivable: Clinic fees are recognized when services are delivered. Clinic receivables are net of an allowance for doubtful accounts of \$6,067 and \$13,796 at December 31, 2010 and 2009, respectively. The Agency uses the allowance method to determine uncollectible receivables. The allowance is based on prior years' experience and management's analysis of possible bad debts. Receivables are considered past due after 90 days. It is the Agency's policy to charge off uncollectible clinic receivables when management determines the receivable will not be collected.

Property and Equipment: The Agency capitalizes all expenditures for property, furniture, fixtures and equipment in excess of \$500. Property and equipment are recorded at cost or fair market value, if donated, and are depreciated using straight line methods over their estimated useful lives.

Contributed Services: Contributed services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. There were no contributed services for the years ended December 31, 2010 and 2009.

Many individuals volunteer their time and perform a variety of tasks that assist the Agency's clients and fund raising activities. The Agency receives approximately 2,600 volunteer hours per year that are not valued in the financial statements.

Tax Status: The Agency is exempt from income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code and is classified as an organization which is not a private foundation under Section 509 (a) of the U.S. Internal Revenue Code. The Agency qualifies for the charitable contribution deduction.

## **AID GWINNETT, INC.**

Providing HIV Prevention Education, Client Services,  
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### **NOTES TO FINANCIAL STATEMENTS**

**December 31, 2010 and 2009**

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#### **NOTE B—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES—Continued**

Management does not believe there are any uncertain tax positions at December 31, 2010 or 2009 as defined by FASB ASC 740, *Income Taxes*. The Agency could be subject to income tax examinations for its U.S. federal tax filings for the current tax year and previous filings for years ended in 2009, 2008, and 2007 still open under the statute of limitations.

Functional Allocation of Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Financial Instruments: Financial instruments, principally receivables, accounts payable and line of credit are reported at values which the Agency believes are not significantly different from fair values. The Agency believes no significant credit risk exists with respect to any of its financial instruments.

Use of Estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain report amounts and disclosures. Accordingly, actual results could differ from those estimates.

Events Occurring After Report Date: Management has evaluated events and transactions that occurred between December 31, 2010 and June 23, 2011, which is the date that the financial statements were available to be issued, for possible recognition or disclosure in the financial statements.

#### **NOTE C—PROPERTY AND EQUIPMENT**

Property and equipment are stated at cost and depreciation is computed using the straight-line method over the estimated useful lives of the assets (primarily five years). Property and equipment consists of the following at December 31, 2010 and 2009:

**AID GWINNETT, INC.**

Providing HIV Prevention Education, Client Services,  
Volunteer Programs, and Advocacy to:  
Gwinnett, Rockdale, & Newton Counties

**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2010 and 2009**

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**NOTE C—PROPERTY AND EQUIPMENT—Continued**

	<u>2010</u>	<u>2009</u>
Vehicle	\$ 35,070	\$ 35,070
Computer equipment and software	306,732	302,165
Furniture and fixtures	88,330	82,162
Leasehold improvements	<u>20,508</u>	<u>20,508</u>
	450,640	439,905
Less accumulated depreciation	<u>(340,344)</u>	<u>(288,205)</u>
	<u>\$ 110,296</u>	<u>\$ 151,700</u>

**NOTE D—LINE OF CREDIT**

The Agency has a line of credit with a bank for \$60,000. The line accrues interest monthly at 5.5%, matures in October 2011 and is guaranteed by two board members. There were no outstanding balances at December 31, 2010. At December 31, 2009 the outstanding balance was \$29,957.

**NOTE E—OPERATING LEASES**

The Agency leases office and clinic space and certain office equipment under noncancellable operating leases through May 2013. Rent expense for the years ended December 31, 2010 and 2009 amounted to approximately \$158,000 and \$161,000, respectively.

Future minimum rental payments required under the leases are as follows:

2011	\$ 168,258
2012	143,745
2013	11,570

**AID GWINNETT, INC.**  
 Providing HIV Prevention Education, Client Services,  
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**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2010 and 2009**

**NOTE F—RESTRICTIONS ON NET ASSETS**

Temporarily restricted assets at December 31, 2010 and 2009 are available for the following purposes:

	2010	2009
Advocacy	\$ 7,006	\$ -
Education	-	89,936
Client services	22,287	-
Housing	16,830	7,809
Prevention	21,690	-
Transportation	-	2,950
	\$ 67,813	\$ 100,695

**NOTE G—GRANTS FROM GOVERNMENT AGENCIES**

AID Gwinnett, Inc. is the recipient of federal financial assistance from several government agencies. The balances of these grants and awards as of December 31, 2010 are as follows:

	Cumulative Awards	Cumulative Expenditures Incurred	Available Funds on Grants
Department of Housing and Urban Development – federal grants	\$ 1,045,181	\$ 630,460	\$ 414,721
Department of Health and Human Services – federal grants	3,476,527	2,815,419	661,108
	\$ 4,521,708	3,445,879	\$ 1,075,829
Less expenditures related to prior year		1,550,989	
Grant revenue for year ended December 31, 2010		\$ 1,894,890	

**AID GWINNETT, INC.**

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**NOTES TO FINANCIAL STATEMENTS**

**December 31, 2010 and 2009**

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**NOTE H—EMPLOYEE BENEFIT PLAN**

Effective April 2008 the Agency adopted a 401(k) plan for those employees who meet the eligibility requirements set forth in the Plan. All plan participants are allowed to contribute any amount up to the legal maximum allowed. The Agency matches 100% of the first 4% of a participants compensation deferred to the Plan. Employer contributions amounted to approximately \$31,000 and \$32,000 for the years ended December 31, 2010 and 2009, respectively.

## **Single Audit Section**

**INDEPENDENT AUDITORS' REPORT ON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

To the Board of Directors  
AID Gwinnett, Inc.  
Duluth, Georgia

We have audited the financial statements of AID Gwinnett, Inc. as of and for the year ended December 31, 2010, and have issued our report thereon dated June 23, 2011, which contained an unqualified opinion on those financial statements and appears on page 1. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Expenditures of Federal Awards is presented for the 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 related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



GIFFORD, HILLEGASS & INGWERSEN, LLP

June 23, 2011  
Atlanta, Georgia

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**AID GWINNETT, INC.**

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**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**For the Year Ended December 31, 2010**

<u>Pass-Through Grantor/ Program Title</u>	<u>Federal CFDA Number</u>	<u>Award Amount</u>	<u>Expenditures</u>
U.S. Department of Health and Human Services/Ryan White Part A	93.917	\$ 764,141	\$ 404,722
U.S. Department of Health and Human Services/Ryan White Part A	93.917	518,790	189,137
U.S. Department of Health and Human Services/Ryan White Part B	93.917	326,734	70,979
U.S. Department of Health and Human Services/Ryan White Part B	93.917	326,734	257,939
U.S. Department of Health and Human Services/Ryan White Part C	93.917	492,304	99,164
U.S. Department of Health and Human Services/Ryan White Part C	93.917	492,304	<u>378,390</u>
SUBTOTAL			<u>1,400,331</u>
Georgia Department of Human Resources/HIV Prevention Activities – Health Department Based	93.940	139,684	<u>139,684</u>
SUBTOTAL			<u>139,684</u>
Center for Disease Control	93.943	315,836	<u>97,550</u>
SUBTOTAL			<u>97,550</u>
City of Atlanta/Housing Opportunities for People with AIDS	14.241	550,135	146,566
City of Atlanta/Housing Opportunities for People with AIDS	14.241	495,046	<u>110,759</u>
SUBTOTAL			<u>257,325</u>
<b>TOTAL EXPENDITURES</b>			<u>\$ 1,894,890</u>

## **AID GWINNETT, INC.**

Providing HIV Prevention Education, Client Services,  
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### **NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

**December 31, 2010**

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#### **NOTE A—BASIS OF PRESENTATION**

The accompanying schedule of expenditures of federal awards (the Schedule) includes the federal grant activity of AID Gwinnett, Inc. under programs of the federal government for the year ended December 31, 2010. The information in this Schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of AID Gwinnett, Inc., it is not intended to and does not present the financial position, changes in net assets, or cash flows of AID Gwinnett, Inc.

**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 Gwinnett, Inc.  
Duluth, Georgia

We have audited the financial statements of AID Gwinnett, Inc. (the Agency) (a nonprofit organization), as of and for the year ended December 31, 2010 and have issued our report thereon dated June 23, 2011. We conducted our audit 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.

***Internal Control over Financial Reporting***

In planning and performing our audit, we considered Aid Gwinnett, Inc.'s internal control over financial reporting as a basis for designing our auditing procedures 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 Gwinnett, Inc.'s internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Agency's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies in internal control such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether AID Gwinnett, Inc.'s financial statements are free of 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*.

This report is intended solely for the information and use of the Board of Directors, management, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



GIFFORD, HILLEGASS & INGWERSEN, LLP

June 23, 2011  
Atlanta, Georgia

**REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Directors  
AID Gwinnett, Inc.  
Duluth, Georgia

***Compliance***

We have audited AID Gwinnett, Inc.'s compliance with the types of compliance requirements described in the OMB *Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2010. AID Gwinnett, Inc.'s major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of AID Gwinnett, Inc.'s management. Our responsibility is to express an opinion on AID Gwinnett, Inc.'s compliance based on our audit.

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 OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about AID Gwinnett, Inc.'s compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of AID Gwinnett, Inc.'s compliance with those requirements.

In our opinion, AID Gwinnett, Inc. complied, in all material respects, with the 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, 2010.

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***Internal Control over Compliance***

Management of AID Gwinnett, Inc. is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered AID Gwinnett, Inc.'s internal control over compliance with requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of AID Gwinnett, Inc.'s internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended for the information of the Board of Directors, management, others within the entity, and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.



GIFFORD, HILLEGASS & INGWERSEN, LLP

June 23, 2011  
Atlanta, Georgia

## **AID GWINNETT, INC.**

Providing HIV Prevention Education, Client Services,  
Volunteer Programs, and Advocacy to:  
Gwinnett, Rockdale, & Newton Counties

### **SCHEDULE OF FINDINGS AND QUESTIONED COSTS**

**For the Year Ended December 31, 2010**

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#### **Summary of Auditor's Results**

1. The auditor's report expresses an unqualified opinion on the financial statements of the AID Gwinnett, Inc.
2. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the financial statements of AID Gwinnett, Inc.
3. No instances of noncompliance material to the financial statements of the AID Gwinnett, Inc., which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
4. No significant deficiencies on material weaknesses in internal control over major federal award programs disclosed during the audit are reported in the financial statements of the AID Gwinnett, Inc.
5. The auditor's report on compliance for the major federal awards programs for AID Gwinnett, Inc. expresses an unqualified opinion on all major federal programs.
6. Audit findings that are required to be reported in accordance with Section 510(a) of OMB Circular A-133 are reported in this Schedule.
7. The programs tested as major programs include:
  - 93.917 HIV Care formula grant – U.S. Department of Health and Human Services
8. The threshold used for distinguishing between Type A and B programs was \$300,000.
9. AID Gwinnett, Inc. was determined to be a low risk auditee.

#### **Findings – Financial Statements Audit**

None.

#### **Finding and Questioned Costs – Major Federal Award Programs Audit**

None.

**INDEPENDENT AUDITORS' REPORT ON  
SUPPLEMENTAL MATERIAL**

To the Board of Directors  
AID Gwinnett, Inc.  
Duluth, Georgia

We have audited the financial statements of AID Gwinnett, Inc. as of and for the year ended December 31, 2010, and have issued our report thereon dated June 23, 2011, which contained an unqualified opinion on those financial statements and appears on page 1. Our audit was performed for the purpose of forming an opinion on the financial statements as a whole. The supplemental material on page 21 is presented for the 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 related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



GIFFORD, HILLEGASS & INGWERSEN, LLP

June 23, 2011  
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**SCHEDULE OF STATE CONTRACTUAL ASSISTANCE**

**For the Year Ended December 31, 2010**

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	<u>Total</u> <u>Budget</u>	<u>Cash</u> <u>Receipts</u>	<u>Expenditures</u> <u>Incurred</u>	<u>Balance Due</u> <u>From</u> <u>State</u>
<b>Georgia Department of Human Resources/ HIV Prevention Activities</b>				
<b>Contract # 427-93-09091203-00</b>	\$ 139,684	\$ 130,099	\$ 139,684	\$ 9,585
contract year - 1/1 - 12/31/2010				
<b>Contract # 427-93-08071137-01</b>	100,000	60,503	-	-
contract year - 1/1 - 12/31/2009				
<b>Total</b>	<u>\$ 239,684</u>	<u>\$ 190,602</u>	<u>\$ 139,684</u>	<u>\$ 9,585</u>