

AIDS Athens, Inc.
Audited Financial Statements
February 28, 2011

Bambo Sonaik CPA, LLC
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INDEPENDENT AUDITOR'S REPORT

To The Board of Directors:
AIDS Athens, Inc.
Athens, Georgia

We have audited the accompanying statement of financial position of AIDS Athens, Inc as of February 28, 2011 and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 the 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 AIDS Athens, Inc as of February 28, 2011, 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 August 2, 2011, on our consideration of AIDS Athens' internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of 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 important for assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of AIDS Athens, Inc taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Bambo Sonaike CPA, LLC

August 2, 2011

AIDS Athens, Inc.
Statement of Financial Position
As of February 28, 2011

Assets	<u>2011</u>	<u>2010</u>
Cash ^(note 2)	\$ 33,619	\$ 54,135
Accounts receivable ^(note 2 & 3)	81,124	52,892
Deposits and prepaids ^(note 2)	11,679	9,352
Property and equipment ^{(net) (note 2 & 4)}	359	2,254
Total assets	<u>126,781</u>	<u>118,633</u>
Liabilities		
Accounts payable and accrued expenses	-	2,603
Total liabilities	-	2,603
Net assets		
Unrestricted	94,511	83,657
Temporarily restricted	32,270	32,373
Permanently restricted	-	-
Total net assets	<u>126,781</u>	<u>116,030</u>
 Total liabilities and net assets	 <u>\$ 126,781</u>	 <u>\$ 118,633</u>

The accompanying notes are an integral part to these financial statements.

AIDS Athens, Inc.
Statement of Activities
For the period ended February 28, 2011

	For the period ended February 28, 2011			For the period ended February 28, 2010		
	Unrestricted	Temporarily restricted	Total	Unrestricted	Temporarily restricted	Total
Revenue						
Contribution	\$ 111,481	\$ -	\$ 111,481	\$ 90,706	\$ 34,800	\$ 125,506
Governments grants and awards	676,651	16,300	692,951	664,180	-	664,180
Other income	1,691	-	1,691	851	-	851
Interest income	20	-	20	-	-	-
Net assets released from restriction	16,403	(16,403)	-	30,767	(30,767)	-
Total revenues	806,246	(103)	806,143	786,504	4,033	790,537
Expenses						
Program services						
Project CARE	432,461	-	432,461	362,725	-	362,725
Shelter Plus Care	210,562	-	210,562	221,689	-	221,689
Other program	133,814	-	133,814	182,282	-	182,282
Support services						
Management and general	15,727	-	15,727	16,910	-	16,910
Fundraising	2,828	-	2,828	7,439	-	7,439
Total expenses	795,392	-	795,392	791,045	-	791,045
Change in net assets	10,854	(103)	10,751	(4,541)	4,033	(508)
Net asset at beginning of year	83,657	32,373	116,030	88,198	28,340	116,538
Prior period adjustments	-	-	-	-	-	-
Net asset at end of the year	\$ 94,511	\$ 32,270	\$ 126,781	\$ 83,657	\$ 32,373	\$ 116,030

The accompanying notes are an integral part to these financial statements.

AIDS Athens, Inc.
Statement of Functional Expenses
For the period ended February 28, 2011

	For the period ended February 28, 2011					
	Program services			Support services		Total
	Project CARE	Shelter Plus	Other programs	General & Administrative	Fundraising	
Salaries and wages	\$ 199,045	\$ -	\$ 46,590	\$ 7,059	\$ -	\$ 252,694
Benefits	20,731	-	4,444	573	-	25,748
Payroll taxes	12,425	-	2,666	645	-	15,736
Total compensation and benefits	232,201	-	53,700	8,278	-	294,178
Advertising and promotion	112	-	82	29	-	223
Bank fees	208	-	153	54	-	415
Conferences and training	2,002	-	2	1	-	2,005
Dues and subscriptions	63	-	46	16	-	125
Fundraising	-	-	-	-	2,828	2,828
Insurance	1,984	-	1,456	510	-	3,950
Occupancy	148,676	164,341	32,454	511	-	345,982
Other	6,305	-	36,910	1,280	-	44,495
Office expense	7,434	-	1,507	528	-	9,469
Professional fees	3,817	-	2,098	734	-	6,649
Supplies	1,419	-	1,041	365	-	2,825
Transportation	12,475	-	736	258	-	13,469
Utilities	15,763	46,221	3,629	1,271	-	66,884
Total expenses before interest and depreciation and amortization	432,461	210,562	133,814	13,832	2,828	793,497
Depreciation & amortization	-	-	-	1,895	-	1,895
Total expenses	\$ 432,461	\$ 210,562	\$ 133,814	\$ 15,727	\$ 2,828	\$ 795,392

The accompanying notes are an integral part to these financial statements.

AIDS Athens, Inc.
Statement of Functional Expenses
For the period ended February 28, 2011

	For the period ended February 28, 2010					Total
	Program services			Support services		
	Project CARE	Shelter Plus	Other programs	General & Administrative	Fundraising	
Salaries and wages	\$ 142,426	\$ 12,268	\$ 32,667	\$ 1,956	\$ -	\$ 189,317
Benefits	35,871	-	4,485	759	-	41,115
Payroll taxes	12,115	-	8,141	-	-	20,256
Total compensation and benefits	190,412	12,268	45,293	2,715	-	250,688
Advertising and promotion	104	-	77	27	-	208
Bank fees	114	-	84	29	-	227
Bad debt	304	-	223	78	-	605
Conferences and training	9,941	-	26	9	-	9,976
Dues and subscriptions	50	-	108	13	-	171
Fundraising	-	-	-	-	7,439	7,439
Meals	4,269	-	-	-	-	4,269
Insurance	4,039	-	923	323	-	5,285
Occupancy	105,288	162,157	72,590	1,057	-	341,092
Other	13,828	-	24,398	1,001	-	39,227
Office expense	2,784	-	3,636	715	-	7,135
Professional fees	6,406	-	16,722	1,645	-	24,773
Repairs and maintenance	-	1,445	-	-	-	1,445
Supplies	3,984	-	9,705	636	-	14,325
Telephone	2,412	-	1,770	620	-	4,802
Transportation	1,250	-	-	-	-	1,250
Travel	6,274	-	1,495	359	-	8,128
Utilities	11,266	45,819	5,232	589	-	62,906
Total expenses before interest and depreciation and amortization	362,725	221,689	182,282	9,816	7,439	783,951
Depreciation & amortization	-	-	-	7,094	-	7,094
Total expenses	\$ 362,725	\$ 221,689	\$ 182,282	\$ 16,910	\$ 7,439	\$ 791,045

The accompanying notes are an integral part to these financial statements.

AIDS Athens, Inc.
Statement of Cash Flows
For the period ended February 28, 2011

	<u>2011</u>	<u>2010</u>
Cash flow from operating activities:		
Change in net assets	\$ 10,751	\$ (508)
Reconciliation of changes in net assets provided from operating activities:		
Depreciation and amortization ^(note 4)	1,895	7,094
(Increase)/ decrease in operating assets		
Accounts receivable	(28,232)	15,705
Other assets and prepaids	(2,327)	(198)
Increase/ (decrease) in operating liabilities		
Accounts payable and accrued expenses	(2,603)	(11,963)
Net cash provided by operating activities	<u>(20,516)</u>	<u>10,130</u>
Net increase(decrease) in cash	<u>(20,516)</u>	<u>10,130</u>
Beginning balance of cash	<u>54,135</u>	<u>44,005</u>
Ending balance of cash	<u><u>\$ 33,619</u></u>	<u><u>\$ 54,135</u></u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for interest	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>

The accompanying notes are an integral part to these financial statements.

AIDS Athens, Inc.
Notes to the Financial Statements
February 28, 2011

1. Company

AIDS Athens, Inc. is a not for profit Organization incorporated on December 18, 1987 in the State of Georgia. AIDS Athens provides various services to address the needs of individuals infected and affected by HIV/AIDS through supportive services and to prevent the spread of the disease through education and outreach.

2. Significant accounting policies

Basis of accounting and financial statements presentation

The financial statements are reported using the accrual basis of accounting. All of the Organization's assets, liabilities, net assets, revenue and expenses have been reflected in accordance with the accrual method.

The financial statements presentation follows the recommendations of the Financial Accounting Standards Board in its Accounting Standards Codification (ASC) No. 958, Not-for-Profit Entities. The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted.

Unrestricted net assets

These are assets that are not subject to donor imposed or grantor-imposed restrictions.

Temporarily restricted assets

These are assets that are subject to donor imposed stipulations that may or will be met, either by actions of the Organization and/or passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets

These are assets subject to donor imposed stipulations permanently by the Organization. Generally, the donors of these assets permit an organization to use all or part of the income earned on any related investments for general or specific purposes.

Cash and cash equivalent

Cash consists of cash on hand at the Organization's locations and the accounts held at financial institutions. Cash equivalents are considered to be short-term investments with original maturities less than three months.

Accounts receivable

Accounts receivable are generated from the day to day operations of the Organization. Accounts receivable are stated as unpaid balances to the Organization for performed services. Receivables are unsecured and non-interest bearing. The Organization uses the allowance method to recognize bad debts.

AIDS Athens, Inc.
Notes to the Financial Statements
February 28, 2011

Deposits and prepaid

Deposits and prepaid consists of deposits at residential housing for the Organization's clients and prepaid expenses for the Organization.

Property and equipment

Property and equipment are stated at cost, or if donated, at their estimated fair value at the date of the gift. Such donations are reported as unrestricted support unless the donor 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 support. 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 into service as instructed by the donor.

Expenditures for property and equipment additions are reviewed for estimated useful life and major improvements or renewals are capitalized while repairs and maintenance are charges to operations as incurred. Depreciation is computed by the straight-line method over the estimated useful lives as stated below. At the time assets are retired or disposed, costs and accumulated depreciation are eliminated from the related accounts and gains or losses, if any, are credited or charged to income. As of February 28, 2011, the estimated useful lives of property and equipment were as follows:

<u>Description</u>	<u>Useful Life</u>
Equipment	5 to 10 years
Furniture and Fixtures	5 to 7 years
Software	3 years
Leasehold Improvements	Lease term

Use of estimates

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenses. Such estimates primarily relate to unsettled transaction and events as of the date of the financial statement. Accordingly, upon settlement, actual results may differ from estimated amounts.

Income tax

The Organization is a not-for-profit entity under section 501(C) (3) of the Internal Revenue Code and is not subject to federal or state income taxes.

AIDS Athens, Inc.
Notes to the Financial Statements
February 28, 2011

3. Accounts receivable

Accounts receivable as of February 28, 2011 consist of the following:

	<u>2011</u>	<u>2010</u>
HOPWA Balance of State	\$ 62,152	\$ 31,861
Others	18,972	18,167
Total accounts receivable	<u>\$ 81,124</u>	<u>\$ 52,892</u>

4. Property and equipment

These are the Organization's assets with an estimated useful life of more than two years. Such assets are recorded at historical cost. As of February 28, 2011, the total amount of property and equipment net of accumulated depreciation and amortization are as follows:

	<u>2011</u>	<u>2010</u>
Equipment	\$ 17,501	\$ 17,501
Furniture and fixtures	4,042	4,042
Software	7,294	7,294
Leasehold improvements	800	800
Accumulated depreciation and amortization	(29,278)	(27,383)
Property and equipment, net	<u>\$ 359</u>	<u>\$ 2,254</u>

The cost of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset life are not capitalized. For the period ended February 28, 2011, depreciation and amortization expense in the amount of \$1,895 was recorded in the statement of functional expenses.

5. Accounts payable and accrued expenses

Accounts payable and accrued expenses consist of expenses incurred in the day to day activities of the organization.

6. Employee benefits

The Organization offers a Savings IRA for full time employees. The Organization matches the employee's contribution at the level determined by the Board of Directors not to exceed 3% of the annual amount of salary. The Organization made contribution of \$5,569 for the year ended February 28, 2011. The Organization provides paid time off benefits to its employees.

7. Concentration of risk

The Organization depends heavily on contributions and grants for its revenue source. The ability of contributors and grantors to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions. While management

AIDS Athens, Inc.
Notes to the Financial Statements
February 28, 2011

believes the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors and other factors beyond its control.

8. Commitments

Leases

In July 2007, the Organization entered into a 2 year operating lease agreement with Athens Realty, Inc. The annual rent per the lease agreement is \$15,600, payable in equal monthly installments of \$1,300. In June of 2010, the lease agreement was renewed for an additional year. The total rent expense per this lease agreement in the statement of functional expenses for the period ending February 28, 2011 was \$15,600.

As of February 28, 2011 the aggregate future minimum rental commitments under operating leases are as follows:

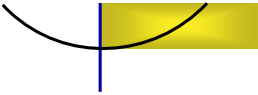
For period ending February 28,	Total
<u>2012</u>	<u>5,200</u>
	<u>\$ 5,200</u>

9. Line of credit

The Organization entered into a revolving line of credit agreement with a bank for the amount of \$25,000. The line of credit is unsecured and bears a variable interest rate on outstanding borrowings. No principal was drawn down on the line of credit. The line of credit remains available to the Organization as of February 28, 2011.

10. Subsequent events

There were no reportable subsequent events as of the audit report date.



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
AIDS Athens, Inc.
Athens, Georgia

We have audited the financial statements of AIDS Athens, Inc. (a nonprofit organization) as of and for the year ended February 28, 2011, and have issued our report thereon dated August 2, 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 the Organization'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 the Organization's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Organization'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 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.

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 the Organization'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 management, others within the entity, the Board of Trustees, 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.

Bambo Sonaike CPA, LLC

August 2, 2011

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133

To the Board of Directors
AIDS Athens, Inc.
Athens, Georgia

Compliance

We have audited AIDS Athens, 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 the Organization's major federal programs for the year ended February 28, 2011. The Organization'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 the Organization's management. Our responsibility is to express an opinion on the Organization'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 the Organization's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Organization's compliance with those requirements.

In our opinion, the Organization 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 February 28, 2011.

Internal Control Over Compliance

Management of the Organization 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 the Organization's internal control over compliance with the 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 the Organization's internal control over compliance.

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

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.

The Organization's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Organization's responses and, accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, others within the entity, the Board of Trustees, 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.

Bambo Sonaike CPA, LLC

August 2, 2011

AIDS Athens, Inc.
 Schedule of Expenditures of Federal Awards
 For the period ended February 28, 2011

Federal Grantor/ Pass-through Grantor/ Program Title	Federal CFDA Number	Pass-through Entity Identifying Number	Federal Expenditures
U.S. Department of Housing and Urban Development:			
Pass-through from Georgia Department of Community Affairs:			
Housing Opportunities for Persons with AIDS	14.241	09H HOPWA 09C009	\$ 99,311
Housing Opportunities for Persons with AIDS	14.241	10H HOPWA 10C247	212,792
Shelter Plus Care	14.238	09S SPC 09C237	225,683
Pass-through from City of Atlanta:			
Housing Opportunities for Persons with AIDS	14.241	HP-09-59	87,562
Pass-through from Athens Clarke County:			
Housing Supportive Services	14.218	B-09-MC-13-0007	4,899
Housing Supportive Services	14.218	B-10-MC-13-0007	8,205
HPRP	14.257	S09-MY-13-0013	47,951
Total U.S. Department of Housing and Urban Development			<u>\$ 686,402</u>
U.S. Department of Health and Human Services:			
Pass-through from Clark County Board of Health:			
Ryan White AIDS Program	93.918	N/A	836
Total U.S. Department of Health and Human Services			<u>\$ 836</u>
Total Federal Awards			<u><u>\$ 687,239</u></u>

AIDS Athens, Inc.
Notes to the Schedule of Expenditures of Federal Awards
For the period ended February 28, 2011

1. Basis of Presentation

The accompanying schedule of expenditures of federal awards includes the federal grant activity of AIDS Athens, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amount presented in, or used in the preparation of, the basic financial statements.

AIDS Athens, Inc.
 Schedule of Expenditures of State Awards
 For the period ended February 28, 2011

State Grantor/ Pass-through Grantor/ Program Title	Agency Number	Revenues	Expenditures	Amount (due to) / from Agency
U.S. Department of Housing and Urban Development:				
Pass-through from Georgia Department of Community Affairs:				
Housing Opportunities for Persons with AIDS	09H HOPWA 09C009	\$ 99,826	\$ 99,311	\$ (515)
Housing Opportunities for Persons with AIDS	10H HOPWA 10C247	212,461	212,792	332
Shelter Plus Care	09S SPC 09C237	225,115	225,683	567
Pass-through from City of Atlanta:				
Housing Opportunities for Persons with AIDS	HP-09-59	87,503	87,562	59
Pass-through from Athens Clarke County:				
Housing Supportive Services	B-09-MC-13-0007	4,811	4,899	87
Housing Supportive Services	B-10-MC-13-0007	8,139	8,205	66
HPRP	S09-MY-13-0013	47,959	47,951	(9)
Total U.S. Department of Housing and Urban Development		<u>685,815</u>	<u>686,402</u>	<u>588</u>
U.S. Department of Health and Human Services:				
Pass-through from Clark County Board of Health:				
Ryan White AIDS Program	N/A	836	836	(0)
Total Georgia Department of Human Services		<u>836</u>	<u>836</u>	<u>(0)</u>
Total State Awards		<u>\$ 686,651</u>	<u>\$ 687,239</u>	<u>\$ 588</u>

AIDS Athens, Inc.
Notes to the Schedule of Expenditures of State Awards
For the period ended February 28, 2011

1. Basis of Presentation

The accompanying schedule of expenditures of state awards includes the state grant activity of AIDS Athens, Inc. and is presented on the accrual basis of accounting. The information in this schedule is presented in accordance with requirements of OMB Circular A-133. Therefore, some amounts presented in this schedule may differ from amount presented in, or used in the preparation of, the basic financial statements.

AIDS Athens, Inc.
Schedule of Findings and Questioned Costs
For the period ended February 28, 2011

Section I - Summary of Auditors Results

Financial Statements

An unqualified auditors report was issued.

Internal Control over financial reporting:

- Material weakness(es) identified ? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

Noncompliance material to financial statements noted?

Yes No

Federal Awards

Internal Control over financial reporting:

- Material weakness(es) identified ? Yes No
- Significant deficiency(ies) identified that are not considered to be material weaknesses? Yes None reported

An unqualified compliance report was issued.

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?

Yes No

Identification of Major Programs:

Federal CFDA Number
14.241

Name
U.S. Department of Housing and Urban Development

Dollar threshold used to distinguish between type A and type B programs:

\$ 300,000

Auditee qualified as a low risk auditee?

Yes No

Section II- Financial Statement Findings

There were no reportable conditions identified to be material weaknesses.

Section III- Federal Award Findings & Questioned Costs

There were no reportable conditions identified to be material weaknesses.