

EISNERAMPER

AIDS VACCINE ADVOCACY COALITION

**REPORTS IN COMPLIANCE WITH
THE UNIFORM GUIDANCE**

**DECEMBER 31, 2021 and 2020
(with supplementary schedule)**



AIDS VACCINE ADVOCACY COALITION

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
AIDS Vaccine Advocacy Coalition

Report on the Financial Statements

Opinion

We have audited the financial statements of AIDS Vaccine Advocacy Coalition ("AVAC"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of AIDS Vaccine Advocacy Coalition as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for each of 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 ("GAAS") and the standards applicable to audits contained in *Government Auditing Standards*, issued by the Comptroller of the United States. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of AVAC and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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

AVAC's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 AVAC's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.



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Auditors' Responsibilities 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 auditors' 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 GAAS 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 GAAS 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 AVAC'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 the AVAC'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.

Other Matters

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations ("CFR") Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the financial statements as a whole.



Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 16, 2022, on our consideration of AIDS Vaccine Advocacy Coalition'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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering AIDS Vaccine Advocacy Coalition's internal control over financial reporting and compliance.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
September 16, 2022

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AIDS VACCINE ADVOCACY COALITION

Statements of Financial Position

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
ASSETS		
Cash and cash equivalents	\$ 5,081,526	\$ 5,828,712
Grants, contributions, and other receivables, net	1,080,083	3,590,400
Prepaid expenses and other assets	23,422	107,310
Property and equipment, net	<u>-</u>	<u>3,077</u>
	<u>\$ 6,185,031</u>	<u>\$ 9,529,499</u>
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	\$ 474,016	\$ 520,642
Subgrants payable	586,469	914,104
Deferred rent obligation	<u>-</u>	<u>2,500</u>
Total liabilities	<u>1,060,485</u>	<u>1,437,246</u>
Commitments, contingency and other uncertainty (see Note J)		
Net assets:		
Without donor restrictions	<u>(12,424)</u>	<u>(610,838)</u>
With donor restrictions:		
Purpose restrictions	4,320,496	5,403,091
Time-restricted for future periods	<u>816,474</u>	<u>3,300,000</u>
Total net assets with donor restrictions	<u>5,136,970</u>	<u>8,703,091</u>
Total net assets	<u>5,124,546</u>	<u>8,092,253</u>
	<u>\$ 6,185,031</u>	<u>\$ 9,529,499</u>

See notes to financial statements.

AIDS VACCINE ADVOCACY COALITION

Statement of Activities

Year Ended December 31, 2021

(with summarized information for the year ended December 31, 2020)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2021	2020
Public support and revenue:				
Grants and contributions	\$ 603,912	\$ 10,182,806	\$ 10,786,718	\$ 12,214,621
Interest income	2,701	-	2,701	5,666
Donated goods and services	-	-	-	2,838
Other income	387	-	387	1,469
	<u>607,000</u>	<u>10,182,806</u>	<u>10,789,806</u>	12,224,594
Total public support and revenue before net assets released from restrictions				
Net assets released from restrictions	<u>13,748,927</u>	<u>(13,748,927)</u>	<u>-</u>	<u>-</u>
	<u>14,355,927</u>	<u>(3,566,121)</u>	<u>10,789,806</u>	<u>12,224,594</u>
Expenses:				
Program services:				
Product introduction and access	3,135,591	-	3,135,591	3,813,778
Research engagement and preparedness	3,477,032	-	3,477,032	1,812,600
Implementation advocacy	2,176,965	-	2,176,965	1,606,811
Strengthening global advocacy networks	891,665	-	891,665	1,102,795
Policy data and analytics	909,237	-	909,237	447,037
Program management and coordination	1,445,385	-	1,445,385	1,045,938
	<u>12,035,875</u>	<u>-</u>	<u>12,035,875</u>	9,828,959
Total program services				
Supporting services:				
Finance and administration	1,705,746	-	1,705,746	1,639,573
Fundraising	15,892	-	15,892	16,379
	<u>1,721,638</u>	<u>-</u>	<u>1,721,638</u>	1,655,952
Total supporting services				
	<u>13,757,513</u>	<u>-</u>	<u>13,757,513</u>	11,484,911
Total expenses				
Change in net assets	598,414	(3,566,121)	(2,967,707)	739,683
Net (deficit) assets, beginning of the year	<u>(610,838)</u>	<u>8,703,091</u>	<u>8,092,253</u>	7,352,570
Net (deficit) assets, end of the year	<u>\$ (12,424)</u>	<u>\$ 5,136,970</u>	<u>\$ 5,124,546</u>	<u>\$ 8,092,253</u>

See notes to financial statements.

AIDS VACCINE ADVOCACY COALITION

Statement of Activities Year Ended December 31, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue:			
Grants and contributions	\$ 44,928	\$ 12,169,693	\$ 12,214,621
Interest income	5,666	-	5,666
Donated goods and services	2,838	-	2,838
Other income	<u>1,469</u>	<u>-</u>	<u>1,469</u>
Total public support and revenue before net assets released from restrictions	54,901	12,169,693	12,224,594
Net assets released from restrictions	<u>10,748,525</u>	<u>(10,748,525)</u>	<u>-</u>
Total public support and revenue	<u>10,803,426</u>	<u>1,421,168</u>	<u>12,224,594</u>
Expenses:			
Program services:			
Product introduction and access	3,813,778	-	3,813,778
Research engagement and preparedness	1,812,600	-	1,812,600
Implementation advocacy	1,606,811	-	1,606,811
Strengthening global advocacy networks	1,102,795	-	1,102,795
Policy data and analytics	447,037	-	447,037
Program management and coordination	<u>1,045,938</u>	<u>-</u>	<u>1,045,938</u>
Total program services	<u>9,828,959</u>	<u>-</u>	<u>9,828,959</u>
Supporting services:			
Finance and administration	1,639,573	-	1,639,573
Fundraising	<u>16,379</u>	<u>-</u>	<u>16,379</u>
Total supporting services	<u>1,655,952</u>	<u>-</u>	<u>1,655,952</u>
Total expenses	<u>11,484,911</u>	<u>-</u>	<u>11,484,911</u>
Change in net assets	(681,485)	1,421,168	739,683
Net assets, beginning of the year	<u>70,647</u>	<u>7,281,923</u>	<u>7,352,570</u>
Net (deficit) assets, end of the year	<u>\$ (610,838)</u>	<u>\$ 8,703,091</u>	<u>\$ 8,092,253</u>

See notes to financial statements.

AIDS VACCINE ADVOCACY COALITION

Statement of Functional Expenses Year Ended December 31, 2021

(with summarized information for the year ended December 31, 2020)

	Program Services						Supporting Services			Total		
	Product Introduction and Access	Research Engagement and Preparedness	Implementation Advocacy	Strengthening Global Advocacy Networks	Policy Data and Analytics	Program Management and Coordination	Total Program Services	Finance and Administration	Fundraising	Total Supporting Services	2021	2020
Salaries	\$ 716,166	\$ 801,431	\$ 395,460	\$ 423,770	\$ 492,004	\$ 667,318	\$ 3,496,149	\$ 796,345	\$ 503	\$ 796,848	\$ 4,292,997	\$ 4,270,186
Benefits and payroll expenses	244,990	238,245	120,464	160,256	186,060	252,024	1,202,039	297,553	190	297,743	1,499,782	1,455,294
Professional fees	575,935	268,601	184,404	28,042	105,406	446,862	1,609,250	328,695	12,113	340,808	1,950,058	1,374,564
Reports and publications	2,068	41,892	-	267	15,233	62,886	122,346	-	-	-	122,346	70,559
Meetings and travel	4,001	7,431	8,443	1,225	4,336	91	25,527	9,750	-	9,750	35,277	96,742
Conferences	3,824	4,465	-	1,843	1,508	-	11,640	-	-	-	11,640	33,666
AVAC meetings	17,653	3,238	26,030	4,677	-	-	51,598	-	-	-	51,598	30,446
Subgrants and fellowships	1,547,049	2,092,151	1,433,860	263,665	80,732	-	5,417,457	-	-	-	5,417,457	3,597,065
Insurance	-	-	-	-	-	-	-	24,090	-	24,090	24,090	27,870
Postage and delivery	39	5,640	125	200	-	-	6004	2,220	-	2,220	8,224	3,535
Office expenses and supplies	23,299	13,128	7,861	5,516	23,065	15,725	88,594	86,945	948	87,893	176,487	258,109
Telephone	52	-	-	1,900	-	-	1,952	21,896	-	21,896	23,848	30,807
Occupancy	-	-	-	-	-	-	-	113,987	-	113,987	113,987	211,177
Public relations	-	-	-	-	-	-	-	-	-	-	-	12,265
Processing fees	-	234	34	-	539	-	807	23,700	2,138	25,838	26,645	7,330
Depreciation and amortization	515	576	284	304	354	479	2,512	565	-	565	3,077	5,296
Total expenses	\$ 3,135,591	\$ 3,477,032	\$ 2,176,965	\$ 891,665	\$ 909,237	\$ 1,445,385	\$ 12,035,875	\$ 1,705,746	\$ 15,892	\$ 1,721,638	\$ 13,757,513	\$ 11,484,911

See notes to financial statements.

AIDS VACCINE ADVOCACY COALITION

Statement of Functional Expenses Year Ended December 31, 2020

	Program Services						Supporting Services			Total	
	Product Introduction and Access	Research Engagement and Preparedness	Implementation Advocacy	Strengthening Global Advocacy Networks	Policy Data and Analytics	Program Management and Coordination	Total Program Services	Finance and Administration	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 756,000	\$ 946,989	\$ 471,436	\$ 435,598	\$ 267,417	\$ 526,421	\$ 3,403,861	\$ 863,892	\$ 2,433	\$ 866,325	\$ 4,270,186
Benefits and payroll expenses	269,968	338,170	168,350	155,552	95,495	187,985	1,215,520	238,905	869	239,774	1,455,294
Professional fees	264,752	203,795	130,825	174,668	34,423	226,260	1,034,723	339,841	-	339,841	1,374,564
Reports and publications	5,175	34,592	4,183	-	1,500	24,908	70,358	201	-	201	70,559
Meetings and travel	33,987	39,831	18,698	1,807	833	109	95,265	1,477	-	1,477	96,742
Conferences	13,965	16,726	360	365	-	-	31,416	2,250	-	2,250	33,666
AVAC meetings	19,408	10,485	553	-	-	-	30,446	-	-	-	30,446
Subgrants and fellowships	2,393,778	123,115	779,872	300,300	-	-	3,597,065	-	-	-	3,597,065
Insurance	2,527	5,055	1,264	6,318	5,055	3,791	24,010	2,886	974	3,860	27,870
Postage and delivery	162	915	73	507	32	57	1,746	1,479	310	1,789	3,535
Office expenses and supplies	23,052	45,887	5,413	2,871	16,206	47,495	140,924	116,237	948	117,185	258,109
Telephone	113	-	67	629	425	-	1,234	29,073	500	29,573	30,807
Occupancy	30,135	45,889	25,088	23,588	15,268	25,996	165,964	37,801	7,412	45,213	211,177
Public relations	-	-	-	-	10,000	2,265	12,265	-	-	-	12,265
Processing fees	-	-	-	-	-	-	-	4,588	2,742	7,330	7,330
Depreciation and amortization	756	1,151	629	592	383	651	4,162	943	191	1,134	5,296
Total expenses	\$ 3,813,778	\$ 1,812,600	\$ 1,606,811	\$ 1,102,795	\$ 447,037	\$ 1,045,938	\$ 9,828,959	\$ 1,639,573	\$ 16,379	\$ 1,655,952	\$ 11,484,911

See notes to financial statements.

AIDS VACCINE ADVOCACY COALITION

Statements of Cash Flows

	Year Ended December 31,	
	<u>2021</u>	<u>2020</u>
Cash flows from operating activities:		
Change in net assets	\$ (2,967,707)	\$ 739,683
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	3,077	5,296
Changes in:		
Grants, contributions, and other receivables, net	2,510,317	3,530,324
Prepaid expenses and other assets	83,888	(19,219)
Accounts payable and accrued expenses	(46,626)	41,288
Subgrants payable	(327,635)	(3,177,891)
Deferred rent obligation	<u>(2,500)</u>	<u>(10,000)</u>
Net cash (used in) provided by operating activities	<u>(747,186)</u>	<u>1,109,481</u>
Net change in cash and cash equivalents	(747,186)	1,109,481
Cash and cash equivalents, beginning of year	<u>5,828,712</u>	<u>4,719,231</u>
Cash and cash equivalents, end of year	<u>\$ 5,081,526</u>	<u>\$ 5,828,712</u>
Supplemental disclosures of cash flow information:		
In-kind donated goods and services	<u>\$ -</u>	<u>\$ 2,838</u>

See notes to financial statements.

AIDS VACCINE ADVOCACY COALITION

Notes to Financial Statements December 31, 2021 and 2020

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Organization:

AIDS Vaccine Advocacy Coalition (“AVAC”) was founded by nine HIV activists and incorporated in 1995 in the State of California. AVAC is an international non-profit organization that works to accelerate the ethical development and global delivery of HIV prevention options as part of a comprehensive and integrated response to the epidemic. Through education, policy analysis, advocacy, communications, community mobilization and a network of global collaborations, AVAC mobilizes and supports efforts to:

- Deliver proven HIV prevention options for immediate impact.
- Demonstrate and roll out new HIV prevention options.
- Develop long-term solutions needed to end the epidemic.

AVAC is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the “Code”) and from state and local taxes under comparable laws.

As of December 31, 2021, AVAC had an accumulated deficit in net assets without donor restrictions of \$12,424. AVAC’s Board of Directors and management have been working with donors to reprogram unspent restricted funds and release some of the restrictions on those funds. In 2021, AVAC received approval for additional and more diversified multi-year grant contributions to fund ongoing operations and program expenses. AVAC has also implemented cost reductions in general operating costs by giving up its office lease at the expiry of the lease in June 2021.

[2] Basis of accounting:

The financial statements of AVAC have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America (“U.S. GAAP”), as applicable to not-for-profit organizations.

[3] Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, support and revenues and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

[4] Cash and cash equivalents:

For financial statement purposes, AVAC considers all highly liquid financial instruments purchased with a maturity of three months or less to be cash equivalents.

[5] Property and equipment:

Property and equipment are stated at their original costs at the dates of acquisition, or, if contributed, at their fair values at the dates of donation, net of accumulated depreciation and amortization. AVAC capitalizes items of property and equipment that have a cost in excess of \$5,000, whereas minor costs of repair and maintenance are expensed as incurred. Depreciation of equipment, furniture and fixtures and leasehold are provided using the straight-line method over the estimated useful lives of the assets, ranging from three to five years for computer equipment and furniture and fixtures, respectively. Amortization of leasehold improvements is provided using the straight-line method over the remaining lease term, or the useful lives of the improvements, whichever is shorter.

AIDS VACCINE ADVOCACY COALITION

Notes to Financial Statements December 31, 2021 and 2020

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[6] Website and software costs:

Website and software costs related to data consulting services, site configuration and infrastructure, conceptual designs and purchase of software upgrades that results in additional functionality are capitalized. Costs relating to operation and content are expenses as incurred. Capitalized costs are amortized over a three-year expected life using the straight-line method. At December 31, 2021 and 2020 capitalized website costs were fully amortized.

[7] Accrued vacation:

Accrued vacation represents AVAC's obligation for the cost of unused employee vacation time payable in the event that all employees left AVAC. At December 31, 2021 and 2020, the accrued vacation obligation was approximately \$225,000 and \$277,000, respectively, and was reported as part of accounts payable and accrued expenses in the statements of financial position.

[8] Subgrants payable:

Subgrants are recognized as a commitment to AVAC at the time they are approved. Subgrants are generally annual commitments paid within one year of approval. Recording of subgrant expenses is based on the subgrant contract which stipulates an initial up-front payment, with subsequent payments based on stipulated conditions being satisfied by the recipient. Subgrants committed, but unpaid, were approximately \$586,000 at December 31, 2021 and \$914,000 at December 31, 2020, and were reported as liabilities in the statements of financial position.

[9] Deferred rent obligation:

Rent expense is recognized using the straight-line method over the term of the lease. The difference between rent expense incurred and the rental amounts actually paid, which is attributable to scheduled rent increases and a rent abatement, is reported as a deferred rent obligation in the statements of financial position. At December 31, 2021 and 2020, the deferred rent obligation was approximately \$0 and \$2,500, respectively.

[10] Net assets:

(i) Net assets without donor restrictions:

Net assets without donor restrictions represent those resources for which there are no restrictions by donors as to their use and are available for current operations.

(ii) Net assets with donor restrictions:

Net assets with donor restrictions represent those resources that are subject to donor imposed restrictions, such as specific purposes and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as "net assets released from restrictions."

AIDS VACCINE ADVOCACY COALITION

Notes to Financial Statements December 31, 2021 and 2020

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[11] Revenue recognition:

(i) Contribution and grants:

Contributions to AVAC are recognized as revenue upon the receipt of cash, other assets, or unconditional pledges. Contributions are reported as “with donor restrictions” if they are received with donor stipulations or time considerations as to their use. Conditional contributions are recorded when the donor’s conditions have been met or necessary events take place. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved.

Revenue from cost-reimbursement government grants are recognized when reimbursable expenses are incurred under the terms of the grants, thereby satisfying the conditions stipulated in the grant agreements. Contracts and grants of this nature received in advance are considered refundable advances until the related expenses are incurred. Performance-based grants are recognized as milestones are achieved, in satisfaction of the stipulated conditions.

The Coronavirus Aid, Relief and Economic Security Act (“CARES” Act) provided an employee retention credit (“CARES Employee Retention credit”), which was a refundable tax credit against certain employment taxes of up to \$5,000 per employee for eligible employers. The tax credit is equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee is \$10,000 of qualified wages per quarter through December 31, 2021. During the year ended December 31, 2021, AVAC recorded \$584,000 related to the CARES Employee Retention credit in grants and contributions in the statement of activities.

(ii) Donated services:

For recognition of donated services in AVAC’s financial statements, such services must: (i) create or enhance non-financial assets; and (ii) typically need to be acquired if not provided by donation. Additionally, recognition of donated services must: (i) require a specialized skill; and (ii) be provided by individuals possessing these skills. Donated services are recorded at their estimated fair values at the dates of donation and are reported without donor restriction as both contributions and offsetting expenses in the statements of activities.

During 2021 and 2020, AVAC received donated travel vouchers with a fair value of \$0 and \$2,838, respectively.

[12] Functional allocation of expenses:

The cost of providing AVAC’s various programs and supporting services have been summarized on a functional basis in the statements of activities. The statements of functional expenses present expenses by natural classification and function. Accordingly, direct costs have been functionalized within program and supporting services based on the nature of the expense. Indirect costs have been allocated on the basis of time, with the exception of occupancy and depreciation and amortization, which are allocated on the basis of space usage.

AIDS VACCINE ADVOCACY COALITION

Notes to Financial Statements December 31, 2021 and 2020

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[13] Income tax uncertainties:

AVAC is subject to the provisions of the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. Because of AVAC's general tax-exempt status, management believes ASC Topic 740 has not had, and is not expected to have, a material impact on AVAC's financial statements.

[14] Upcoming accounting pronouncement:

In September 2020, the FASB issued Accounting Standards Update ("ASU") 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash or other financial assets. For each category of contributed nonfinancial assets recognized, not-for-profit organization will need to disclose: (i) qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period, if utilized, a description of the programs or other activities in which those assets were used; (ii) the not-for-profit's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets; (iii) a description of any donor-imposed restrictions associated with the contributed nonfinancial assets; (iv) the valuation techniques and inputs used to arrive at a fair value measure, in accordance with the requirements in Topic 820, *Fair Value Measurement*, at initial recognition; and (v) the principal market (or most advantageous market) used to arrive at a fair value measure, if it is a market in which the recipient entity is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The amendments in this ASU will be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Management is in the process of assessing the impact of this ASU on the financial statements.

[15] Subsequent events:

AVAC evaluated subsequent events through September 16, 2022, the date on which the financial statements were available to be issued.

AIDS VACCINE ADVOCACY COALITION

Notes to Financial Statements December 31, 2021 and 2020

NOTE B - RECEIVABLES

At each year-end, grants, contributions, and other receivables are estimated as follows:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Due in less than one year:		
United States Agency for International Development	\$ 221,692	\$ 205,018
Bill and Melinda Gates Foundation	-	3,300,000
Amfar KPF Zambia Project	-	43,736
FHI 360	182,334	29,089
American International Health Alliance	19,815	-
IRS Employee Retention Credit	542,604	-
Other contributions	61,308	4,280
Other receivables	<u>52,330</u>	<u>8,277</u>
	<u>\$ 1,080,083</u>	<u>\$ 3,590,400</u>

Based on its prior experience, management expects substantially all of the receivables to be fully collectible; accordingly, no allowance for doubtful amounts has been established.

NOTE C - CONDITIONAL FUNDING

During 2016, AVAC received a commitment of funding (in the form of a Cooperative Agreement) of approximately \$20 million over five years from USAID for AVAC-led Coalition to Accelerate and Support Prevention Research ("CASPR"). USAID makes annual obligations under this Cooperative Agreement. The funding is conditional upon AVAC's submission and the USAID's approval of a project workplan and budget, as well as incurring certain expenses in compliance with the rules and regulations of the Office of Management and Budget ("OMB"). In 2019, AVAC was provided a five-year extension of the contract with an additional \$20 million in funding. At December 31, 2021 and 2020, AVAC recognized approximately \$19.5 and \$14.8 million under this agreement, respectively. The balance of the funding will be recorded as revenue as AVAC meets the conditions of the Cooperative Agreement.

During 2020, AVAC received a commitment of funding of approximately \$225,000 to be paid in one year from FHI 360 funded by USAID for Transforming Contraception to Expand Access and Choice (PROMISE), which AVAC co-leads with FHI 360 and Wits Reproductive Health ("Wits RHI"). The funding is conditional on AVAC's submission and FHI 360's and USAID's approvals of a workplan and budget. Entitlement to funds depends on incurring certain expenses in compliance with the rules and regulations of the OMB. At December 31, 2021 and 2020, AVAC recognized approximately \$225,000 and 129,000, respectively. All of the conditions were met in 2021 and the full funding was recorded as revenue during the year.

During 2021, AVAC received a commitment of funding of approximately \$5 million from the Bill and Melinda Gates Foundation (the "Gates Foundation") to be paid over a two-year period. The grant is to support sustainable, Africa-focused civil society coalitions that harnesses South-North solidarity to execute evidence-driven advocacy in Tanzania, Malawi, and Zimbabwe towards impactful HIV responses. The funding is conditional upon AVAC meeting certain milestone provisions prior to receiving the next payment. As of December 31, 2021, AVAC recognized approximately \$3 million of the total committed funding. The balance of the funding will be recorded as revenue as AVAC meets the conditions of the agreement.

AIDS VACCINE ADVOCACY COALITION

Notes to Financial Statements December 31, 2021 and 2020

NOTE C - CONDITIONAL FUNDING (CONTINUED)

During 2021, AVAC received a commitment of funding of approximately \$1.5 million from the Gates Foundation to be paid over a three-year period. The grant is to set up a product introduction forum for key decision-makers and funders that will provide transparency into ongoing work so that investments are complementary, additive and not redundant. The funding is conditional upon AVAC meeting certain milestone provisions prior to receiving the next payment. As of December 31, 2021, AVAC recognized approximately \$722,000 of the total committed funding. The balance of the funding will be recorded as revenue as AVAC meets the conditions of the agreement.

During 2021, AVAC received a commitment of funding of approximately \$1.5 million from the Rockefeller Foundation to be paid over a 27-month period. The grant is to support building capacity among journalists in Southern and Eastern Africa to ensure more accurate and evidence-based coverage about COVID-19 vaccines. The funding is conditional upon AVAC meeting certain milestone provisions prior to receiving the next payment. As of December 31, 2021, AVAC recognized approximately \$ 500,000 of the total committed funding. The balance of the funding will be recorded as revenue as AVAC meets the conditions of the agreement.

During 2021, AVAC received a one-year commitment of funding of approximately \$1.1 million from Children's Investment Fund Foundation ("CIFF"). At December 31, 2021, \$800,000 of the grant has been recognized. The balance of the funding will be recorded as revenue as AVAC meets the conditions of the agreement.

During 2021, AVAC received a commitment of funding of approximately \$3,278,000 to be paid over five years from FHI 360 funded by USAID for Maximizing Options to Advance Informed Choice for HIV Prevention (MOSAIC), which AVAC co-leads with FHI 360 and Wits RHI. The funding is conditional on AVAC's submission and FHI 360's and USAID's approvals of a workplan and budget. Entitlement to funds depends on incurring certain expenses in compliance with the rules and regulations of the OMB. At December 31, 2021, AVAC recognized approximately \$57,000. The balance of the funding will be recorded as revenue as AVAC meets the conditions of the agreement.

During 2021, AVAC received a commitment of funding of approximately \$190,000 to be paid over five years from Magee Women's Research Institute funded by USAID for Microbicide R&D to Advance HIV Prevention Technologies through Responsive Innovation and Excellence ("MATRIX"). The funding is conditional on AVAC's submission and Magee Women's Research Institute's and USAID's approvals of a workplan and budget. Entitlement to funds depends on incurring certain expenses in compliance with the rules and regulations of the OMB. At December 31, 2021, AVAC recognized approximately \$5,000. The balance of the funding will be recorded as revenue as AVAC meets the conditions of the agreement.

During 2021, AVAC was named as a subgrantee through an NIH grant led by Beth Israel Deaconess Medical Center, Inc. The grant runs for five years, and AVAC is a named subgrantee of three of the organizations leading this work: Beth Israel Deaconess Medical Center, Johns Hopkins University, and Weill Cornell Medical Center. The total amount of the subgrants that AVAC expects to receive over 5 years is: \$439,000. The funding is conditional on AVAC's submission and approval by the three organizations through periodic technical reporting and invoicing. Entitlement to funds depends on incurring certain expenses in compliance with the rules and regulations of OMB. At December 31, 2021, AVAC recognized approximately \$8,000. The balance of funding will be recorded as revenue as AVAC meets the conditions of the agreement.

AIDS VACCINE ADVOCACY COALITION

Notes to Financial Statements December 31, 2021 and 2020

NOTE D - PROPERTY AND EQUIPMENT

At each year-end, property and equipment consisted of the following:

	December 31,	
	2021	2020
Furniture and fixtures	\$ 6,033	\$ 6,033
Leasehold improvements	39,159	39,159
Computer equipment	<u>122,292</u>	<u>122,292</u>
	167,484	167,484
Less: accumulated depreciation and amortization	<u>(167,484)</u>	<u>(164,407)</u>
	<u>\$ -</u>	<u>\$ 3,077</u>

NOTE E - NET ASSETS WITH DONOR RESTRICTIONS

At each year-end, net assets with donor restrictions consisted of the following:

	December 31,	
	2021	2020
Purpose restricted:		
Market Manager for HIV program	\$ -	\$ 2,372,963
COMPASS Africa	2,664,621	-
COMPASS Bridge	-	1,996,159
New Venture Fund	15,649	250,000
Children's Investment Fund Foundation	540,471	744,821
Biomedical Prevention Implementation Collaborative	596,125	-
Rockefeller Media Cafe	472,651	-
Other programs	<u>30,979</u>	<u>39,148</u>
	4,320,496	5,403,091
Restricted for time:		
*Bill and Melinda Gates Foundation	<u>816,474</u>	<u>3,300,000</u>
	<u>\$ 5,136,970</u>	<u>\$ 8,703,091</u>

AIDS VACCINE ADVOCACY COALITION

Notes to Financial Statements December 31, 2021 and 2020

NOTE E - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

At each year-end, net assets released from restrictions consisted of the following:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Market Manager for HIV program	\$ 2,372,963	\$ 1,103,545
COMPASS Africa	35,379	2,132,707
Family Health International	411,794	239,161
Children's Investment Fund Foundation	1,004,350	371,729
USAID -HVBP	4,664,876	3,277,393
Bill and Melinda Gates Foundation*	2,483,526	3,300,000
Bill and Melinda Gates Foundation – Compass Bridge	1,996,159	-
New Venture Fund	234,351	-
Biomedical Prevention Implementation Collaborative	125,601	-
Bill and Melinda Gates Foundation - Compass	-	313,107
Other programs	<u>419,928</u>	<u>10,883</u>
	<u>\$13,748,927</u>	<u>\$10,748,525</u>

*Bill and Melinda Gates contributions are subject to the passage of time in relation to the Board approved 2019 through 2021 work-plans and budgets.

NOTE F - PENSION PLAN

AVAC maintains a defined-contribution plan, established under Section 401(k) of the Code, which covers all full-time employees. Participants can make elective contributions subject to certain limitations. AVAC matches 100% on the first 3% of an employee's elective deferred compensation plus a 50% match on the next 2% of compensation deferred. AVAC contributed approximately \$150,000 and \$132,000, to the plan at December 31, 2021 and 2020, respectively.

NOTE G - BANK LINE OF CREDIT

AVAC established a line of credit with Amalgamated Bank in the amount of \$600,000, which is collateralized by the general assets of AVAC, bearing interest not to exceed the rate of the greater of 4.5% or the Bank's base rate, plus 1.25% per annum. There were no draw downs on the line of credit during 2021 or 2020. The line of credit has been renewed through September 2022.

NOTE H - CONCENTRATION OF REVENUE

During 2021 and 2020, AVAC received grants and contributions from two unrelated parties that represented approximately 75% and 86%, respectively, of total support and revenues. These contributions are concentration of revenues to AVAC and AVAC's operation may be significantly affected should this level of funding cease.

AIDS VACCINE ADVOCACY COALITION

Notes to Financial Statements December 31, 2021 and 2020

NOTE I - CONCENTRATION OF CREDIT RISK

AVAC maintains its cash in high-credit-quality financial institutions in amounts which, at times, may exceed federally insured limits. AVAC has not experienced any losses in such accounts, and management believes that AVAC is not exposed to any significant risk of loss due to the failure of the financial institutions.

NOTE J - COMMITMENTS, CONTINGENCY AND OTHER UNCERTAINTY

[1] Leases:

AVAC entered into an operating lease agreement for office space with an unrelated party that expired in March 2021. In 2021, the lease was extended through June 2021 and management decided not to renew the lease beyond that date. Rent expense related to the office space for the years ended December 31, 2021 and 2020 was approximately \$100,000 and 186,000, respectively.

AVAC executed an addendum to its office space lease agreement in March 2017, with their landlord to use a meeting space requiring monthly payments of \$3,125. The agreement expired on April 30, 2021. Management decided not to renew the lease.

[2] Government funding:

Government-funded activities are subject to audit by the applicable granting agencies. For the years ended December 31, 2021 and 2020, there were no material obligations outstanding as a result of such audits. Management believes that no material obligations will result from any future audits of such activities.

[3] Other contracts:

AVAC enters into various contracts for professional and other services in the normal course of its business, which are typically renewable on a year-to-year basis.

[4] COVID-19:

The extent of the impact of the coronavirus ("COVID-19") outbreak on the operational and financial performance of AVAC will depend on the continued future developments of the outbreak and external restrictions imposed. The potential economic impact brought by, and the duration of, the COVID-19 pandemic is difficult to predict and may have an impact on AVAC's operations.

AIDS VACCINE ADVOCACY COALITION

Notes to Financial Statements December 31, 2021 and 2020

NOTE K - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects AVAC's financial assets as of the statements of financial position date, reduced by amounts not available for general use within one year because of donor-imposed restrictions:

	<u>December 31,</u>	
	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 5,081,526	\$ 5,828,712
Grants, contributions, and other receivables	<u>1,080,083</u>	<u>3,590,400</u>
Total financial assets available within one year	<u>6,161,609</u>	<u>9,419,112</u>
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restrictions for the passage of time	(816,474)	(3,300,000)
Restrictions by donors for purpose restrictions	<u>(4,320,496)</u>	<u>(5,403,091)</u>
Total amounts unavailable for general expenditure within year	<u>(5,136,970)</u>	<u>(8,703,091)</u>
Total financial assets available to meet cash needs for general expenditure within one year	<u>\$ 1,024,639</u>	<u>\$ 716,021</u>

Liquidity policy:

AVAC maintains a sufficient level of operating cash to be available for its general expenditures, liabilities and other obligations as they come due, as part of AVAC's liquidity management. AVAC also has a committed line of credit to help manage unanticipated liquidity needs, if needed.

INDEPENDENT AUDITORS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To Board of Directors of
AIDS Vaccine Advocacy Coalition

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 AIDS Vaccine Advocacy Coalition ("AVAC"), which comprise the statement of financial position as of December 31, 2021, the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 16, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered AVAC's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of AVAC's internal control. Accordingly, we do not express an opinion on the effectiveness of AVAC'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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the organization's financial statements will not be prevented, or detected and corrected on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control 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 that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether AVAC'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*.



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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 AVAC's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering AVAC's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
September 16, 2022

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LLP



INDEPENDENT AUDITORS' REPORT ON COMPLIANCE FOR ITS MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Directors of
AIDS Vaccine Advocacy Coalition

Report on Compliance for Its Major Federal Program

Opinion on Compliance for the Major Federal Program

We have audited AIDS Vaccine Advocacy Coalition's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget *Compliance Supplement* that could have a direct and material effect on AIDS Vaccine Advocacy Coalition's major federal program for the year ended December 31, 2021. AVAC's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

In our opinion, AIDS Vaccine Advocacy Coalition complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2021.

Basis for Opinion on 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 45 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 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 AIDS Vaccine Advocacy Coalition and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of AIDS Vaccine Advocacy Coalition's compliance with the compliance requirements referred to above.

Management's Responsibility 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 the major federal program.



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Auditor's Responsibility 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 AIDS Vaccine Advocacy Coalition'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 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 AIDS Vaccine Advocacy Coalition's compliance with the requirements of the federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and 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 AIDS Vaccine Advocacy Coalition'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 AIDS Vaccine Advocacy Coalition'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 Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of AIDS Vaccine Advocacy Coalition'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 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 Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
September 16, 2022

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AIDS VACCINE ADVOCACY COALITION

Schedule of Findings and Questioned Costs Year Ended December 31, 2021

Section I - Summary of Auditors' Results

Financial Statements

Type of report the auditor issued on whether the financial statements audited were prepared in accordance with U.S. GAAP: Unmodified

Internal control over financial reporting:

Material weaknesses identified: No
Significant deficiencies identified: None reported

Noncompliance material to financial statements noted: No

Federal Awards

Internal control over major programs:

Material weaknesses identified: No
Significant deficiencies identified: None reported

Type of auditors' report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations Part 200, Section 516 (a): No

Identification of major programs:

CFDA

Name of Federal Program

98.001

USAID Foreign Assistance for Programs Overseas

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee: Yes

Section II - Financial Statement Findings

No matters reported for the year ended December 31, 2021.

Section III - Federal Award Findings and Questioned Costs

No matters reported for the year ended December 31, 2021.

Section IV - Prior Period Findings

No matters reported in the prior year.

SUPPLEMENTARY SCHEDULE

AIDS VACCINE ADVOCACY COALITION
Schedule of Expenditures of Federal Awards
Year Ended December 31, 2021

Agency/Program	Assistance Listing Number	Agency Number	Pass- Through to Subrecipients	Federal Expenditures
U.S. Agency for International Development:				
Direct Federal Funding:				
Foreign Assistance for Programs Overseas:				
HIV Vaccine and Biomedical Prevention Research Project	98.001		\$ 2,252,583	\$ 4,664,875
Passthrough from Magee Women's Research Institute:				
Foreign Assistance for Programs Overseas				
Microbicide R & D to Advance HIV Prevention Technologies through Responsive Innovation and Excellence	98.001	7200AA22CA0002	-	4,957
Passthrough from Family Health International:				
Foreign Assistance for Programs Overseas				
Maximizing Options to Advance Informed Choice for HIV Prevention	98.001	7200AA21CA00011	-	57,266
Passthrough from Family Health International:				
Foreign Assistance for Programs Overseas				
Envision FP: Transforming Contraception to Expand Access and Choice	98.001	AID0AAAA1500045	-	411,793
Total U.S. Agency for International Development:			<u>2,252,583</u>	<u>5,138,891</u>
National Institute of Health:				
Beth Israel Deaconess Medical Center, Inc.				
Allergy and Infectious Disease Research Program				
I4C 2.0 Immunotherapy for Cure	93.855	1UM1AI16455601	-	8,176
Totals			<u>\$ 2,252,583</u>	<u>\$ 5,147,067</u>

See notes to schedule of expenditures of federal awards

AIDS VACCINE ADVOCACY COALITION

Notes to Schedule of Expenditures of Federal Awards Year Ended December 31, 2021

NOTE A - BASIS OF PRESENTATION

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal award activity of AVAC under programs of the federal government for the year ended December 31, 2021. The information in this Schedule is presented in accordance with the requirements 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 AVAC, it is not intended to and does not present the financial position, changes in net assets, or cash flows of AVAC.

NOTE B - 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. AVAC has elected not to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.