

**EISNERAMPER**

**AIDS VACCINE ADVOCACY  
COALITION**

**REPORTS IN COMPLIANCE WITH  
THE UNIFORM GUIDANCE**

**DECEMBER 31, 2019 and 2018  
(with supplementary schedule)**



# AIDS VACCINE ADVOCACY COALITION

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## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
AIDS Vaccine Advocacy Coalition

### **Report on the Financial Statements**

We have audited the accompanying financial statements of AIDS Vaccine Advocacy Coalition ("AVAC"), which comprise of the statements of financial position as of December 31, 2019 and 2018, 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.

### ***Management's Responsibility 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.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements 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 the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Opinion***

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, 2019 and 2018, 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.



## ***Other Matters - Report on Supplementary Schedule***

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 is presented for purposes of additional analysis as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from, and relates directly to, the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the 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 additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated November 9, 2020, on our consideration of AVAC'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 the effectiveness of AVAC's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the AVAC's internal control over financial reporting and compliance.

*EisnerAmper LLP*

EISNERAMPER LLP  
New York, New York  
November 9, 2020



# AIDS VACCINE ADVOCACY COALITION

## Statements of Financial Position

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 4,719,231	\$ 5,469,411
Grants, contributions, and other receivables, net	7,120,724	9,757,820
Prepaid expenses and other assets	88,091	82,430
Property and equipment, net	<u>8,373</u>	<u>18,617</u>
	<u>\$ 11,936,419</u>	<u>\$ 15,328,278</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable and accrued expenses	\$ 479,354	\$ 467,503
Grants payable	4,091,995	4,220,314
Refundable advances	-	7,636
Deferred rent obligation	<u>12,500</u>	<u>22,500</u>
Total liabilities	<u>4,583,849</u>	<u>4,717,953</u>
Commitments and contingencies (see Note J)		
Net assets:		
Without donor restrictions	<u>70,647</u>	<u>(437,292)</u>
With donor restrictions:		
Purpose restrictions	840,936	9,505,366
Time-restricted for future periods	<u>6,440,987</u>	<u>1,542,251</u>
Total net assets with donor restrictions	<u>7,281,923</u>	<u>11,047,617</u>
Total net assets	<u>7,352,570</u>	<u>10,610,325</u>
	<u>\$ 11,936,419</u>	<u>\$ 15,328,278</u>

See notes to financial statements.

## AIDS VACCINE ADVOCACY COALITION

### Statement of Activities

Year Ended December 31, 2019

(with summarized information for the year ended December 31, 2018)

	Without Donor Restrictions	With Donor Restrictions	Total	
			2019	2018
<b>Public support and revenue:</b>				
Grants and contributions	\$ 3,329,854	\$ 8,709,118	\$ 12,038,972	\$ 22,413,918
Interest income	22,495	-	22,495	24,576
Donated goods and services	44,535	-	44,535	26,425
Other income	2,503	-	2,503	2,428
	<u>3,399,387</u>	<u>8,709,118</u>	<u>12,108,505</u>	<u>22,467,347</u>
Total public support and revenue before net assets release from restrictions				
Net assets released from restrictions	<u>12,474,812</u>	<u>(12,474,812)</u>	<u>-</u>	<u>-</u>
	<u>15,874,199</u>	<u>(3,765,694)</u>	<u>12,108,505</u>	<u>22,467,347</u>
<b>Expenses:</b>				
Program services:				
Product introduction and access	4,801,413	-	4,801,413	4,920,401
Research engagement and preparedness	3,622,370	-	3,622,370	3,829,531
Implementation advocacy	2,843,875	-	2,843,875	3,281,509
Strengthening global advocacy networks	1,441,853	-	1,441,853	1,730,101
Policy data and analytics	680,099	-	680,099	1,051,549
Program management and coordination	732,226	-	732,226	853,093
	<u>14,121,836</u>	<u>-</u>	<u>14,121,836</u>	<u>15,666,184</u>
Total program services				
Supporting services:				
Finance and administration	1,201,012	-	1,221,214	870,039
Fundraising	43,412	-	43,412	26,241
	<u>1,244,424</u>	<u>-</u>	<u>1,244,424</u>	<u>896,280</u>
Total supporting services				
Total expenses	<u>15,366,260</u>	<u>-</u>	<u>15,366,260</u>	<u>16,562,464</u>
<b>Change in net assets</b>	<b>507,939</b>	<b>(3,765,694)</b>	<b>(3,257,755)</b>	<b>5,904,883</b>
Net (deficit) assets, beginning of the year	<u>(437,292)</u>	<u>11,047,617</u>	<u>10,610,325</u>	<u>4,705,442</u>
<b>Net assets, end of the year</b>	<u>\$ 70,647</u>	<u>\$ 7,281,923</u>	<u>\$ 7,352,570</u>	<u>\$ 10,610,325</u>

See notes to financial statements.

# AIDS VACCINE ADVOCACY COALITION

## Statement of Activities Year Ended December 31, 2018

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>Public support and revenue:</b>			
Grants and contributions	\$ 6,967,332	\$ 15,446,586	\$ 22,413,918
Interest income	24,576	-	24,576
Donated goods and services	26,425	-	26,425
Other income	<u>2,428</u>	<u>-</u>	<u>2,428</u>
Total public support and revenue before net assets release from restrictions	7,020,761	15,446,586	22,467,347
Net assets released from restrictions	<u>8,641,683</u>	<u>(8,641,683)</u>	<u>-</u>
Total public support and revenue	<u>15,662,444</u>	<u>6,804,903</u>	<u>22,467,347</u>
<b>Expenses:</b>			
Program services:			
Product introduction and access	4,920,401	-	4,920,401
Research engagement and preparedness	3,829,531	-	3,829,531
Implementation advocacy	3,281,509	-	3,281,509
Strengthening global advocacy networks	1,730,101	-	1,730,101
Policy data and analytics	1,051,549	-	1,051,549
Program management and coordination	<u>853,093</u>	<u>-</u>	<u>853,093</u>
Total program services	<u>15,666,184</u>	<u>-</u>	<u>15,666,184</u>
Supporting services:			
Finance and administration	870,039	-	870,039
Fundraising	<u>26,241</u>	<u>-</u>	<u>26,241</u>
Total supporting services	<u>896,280</u>	<u>-</u>	<u>896,280</u>
Total expenses	<u>16,562,464</u>	<u>-</u>	<u>16,562,464</u>
<b>Change in net assets</b>	(900,020)	6,804,903	5,904,883
Net assets, beginning of the year	<u>462,728</u>	<u>4,242,714</u>	<u>4,705,442</u>
<b>Net (deficit) assets, end of the year</b>	<u>\$ (437,292)</u>	<u>\$ 11,047,617</u>	<u>\$ 10,610,325</u>

## AIDS VACCINE ADVOCACY COALITION

### Statement of Functional Expenses

Year Ended December 31, 2019

(with summarized information for the year ended December 31, 2018)

	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 Programs	Finance and Administration	Fundraising	Total Supporting Services	2019	2018
Salaries	\$ 906,872	\$ 944,416	\$ 422,901	\$ 468,832	\$ 262,654	\$ 387,575	\$ 3,393,250	\$ 444,898	\$ 11,566	\$ 456,464	\$ 3,849,714	\$ 3,589,697
Benefits and payroll expenses	306,920	348,357	119,333	151,192	84,226	124,368	1,133,766	133,289	3,531	136,820	1,270,586	1,172,851
Professional fees	325,601	190,306	116,168	183,012	18,251	96,834	930,172	516,763	12,232	528,995	1,459,167	1,029,226
Reports and publications	4,145	33,179	12,537	317	17,510	33,817	101,505	1,589	-	1,589	103,094	387,069
Meetings and travel	171,274	199,203	75,363	104,732	26,715	1,690	578,977	8,238	-	8,238	587,215	665,912
Conferences	6,210	7,751	1,295	15,687	1,076	375	32,394	2,523	-	2,523	34,917	162,640
AVAC meetings	11,450	133,200	117,260	131,614	716	-	394,240	12,079	-	12,079	406,319	471,057
Grants and fellowships	2,988,573	1,599,829	1,937,322	288,864	193,185	-	7,007,773	-	-	-	7,007,773	8,481,481
Insurance	1,276	2,553	638	3,192	2,553	1,912	12,124	1,458	481	1,939	14,063	10,634
Postage and delivery	290	379	350	65	282	1,929	3,295	425	309	734	4,029	14,342
Office expenses and supplies	38,965	94,596	19,002	17,452	17,990	43,601	231,606	38,019	1,639	39,658	271,264	223,632
Telephone	7,062	10,352	5,701	10,600	1,991	1,788	37,494	6,212	1,250	7,462	44,956	57,253
Occupancy	23,525	47,050	11,762	59,211	47,050	35,288	223,886	26,869	9,070	35,939	259,825	219,869
Public relations	2,469	6,254	443	2,054	1,939	222	13,381	234	-	234	13,615	43,540
Processing fees	6,483	3,087	3,336	2,707	2,103	1,434	19,150	7,355	2,974	10,329	29,479	13,564
Depreciation and amortization	928	1,858	464	2,322	1,858	1,393	8,823	1,061	360	1,421	10,244	19,697
<b>Total expenses</b>	<b>\$ 4,801,413</b>	<b>\$ 3,622,370</b>	<b>\$ 2,843,875</b>	<b>\$ 1,441,853</b>	<b>\$ 680,099</b>	<b>\$ 732,226</b>	<b>\$ 14,121,836</b>	<b>\$ 1,201,012</b>	<b>\$ 43,412</b>	<b>\$ 1,244,424</b>	<b>\$ 15,366,260</b>	<b>\$ 16,562,464</b>

See notes to financial statements.



## AIDS VACCINE ADVOCACY COALITION

### Statement of Functional Expenses Year Ended December 31, 2018

	Product Introduction and Access	Research Engagement and Preparedness	Implementation Advocacy	Strengthening Global Advocacy Networks	Policy Data and Analytics	Program Management and Coordination	Total Programs	Finance and Administration	Fundraising	Total Supporting Services	Total Expenses
Salaries	\$ 766,428	\$ 908,748	\$ 419,146	\$ 462,567	\$ 245,200	\$ 356,002	\$ 3,158,091	\$ 430,781	\$ 825	\$ 431,606	\$ 3,589,697
Benefits and payroll expenses	230,601	266,411	122,732	137,942	74,262	106,936	938,884	233,723	244	233,967	1,172,851
Professional fees	216,467	163,649	110,758	240,612	24,347	139,485	895,318	119,303	14,605	133,908	1,029,226
Reports and publications	2,537	211,917	1,115	541	16,366	153,891	386,367	702	-	702	387,069
Meetings and travel	179,370	197,677	100,039	144,418	22,873	13,722	658,099	7,802	11	7,813	665,912
Conferences	16,253	79,201	6,080	50,231	4,417	3,305	159,487	3,153	-	3,153	162,640
AVAC meetings	1,982	92,695	59,721	304,398	16	189	459,001	12,056	-	12,056	471,057
Grants and fellowships	3,432,407	1,762,239	2,410,918	278,226	597,691	-	8,481,481	-	-	-	8,481,481
Insurance	1,625	2,416	1,135	1,679	1,031	1,315	9,201	1,370	63	1,433	10,634
Postage and delivery	206	8,886	42	1,510	512	2,383	13,539	284	519	803	14,342
Office expenses and supplies	32,559	57,162	22,358	28,384	17,443	38,146	196,052	26,589	991	27,580	223,632
Telephone	9,084	13,416	9,136	12,789	2,116	3,197	49,738	6,860	655	7,515	57,253
Occupancy	19,938	39,876	9,969	49,845	39,876	29,907	189,411	22,771	7,687	30,458	219,869
Public relations	4,882	17,021	3,596	12,905	3,239	1,426	43,069	471	-	471	43,540
Processing fees	2,353	3,874	2,186	1,249	673	1,012	11,347	1,576	641	2,217	13,564
Depreciation and amortization	3,709	4,343	2,578	2,805	1,487	2,177	17,099	2,598	-	2,598	19,697
<b>Total expenses</b>	<b>\$ 4,920,401</b>	<b>\$ 3,829,531</b>	<b>\$ 3,281,509</b>	<b>\$ 1,730,101</b>	<b>\$ 1,051,549</b>	<b>\$ 853,093</b>	<b>\$ 15,666,184</b>	<b>\$ 870,039</b>	<b>\$ 26,241</b>	<b>\$ 896,280</b>	<b>\$ 16,562,464</b>

See notes to financial statements.

# AIDS VACCINE ADVOCACY COALITION

## Statements of Cash Flows

	Year Ended December 31,	
	2019	2018
<b>Cash flows from operating activities:</b>		
Change in net assets	\$ (3,257,755)	\$ 5,904,883
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	10,244	19,697
Changes in:		
Grants, contributions, and other receivables, net	2,637,096	(9,079,266)
Prepaid expenses and other assets	(5,661)	10,454
Accounts payable and accrued expenses	11,851	97,920
Grants payable	(128,319)	451,185
Deferred revenue	(7,636)	7,636
Deferred rent obligation	<u>(10,000)</u>	<u>(10,000)</u>
Net cash used in operating activities	<u>(750,180)</u>	<u>(2,597,491)</u>
<b>Net decrease in cash and cash equivalents</b>	<b>(750,180)</b>	<b>(2,597,491)</b>
Cash and cash equivalents, beginning of year	<u>5,469,411</u>	<u>8,066,902</u>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 4,719,231</b>	<b>\$ 5,469,411</b>
<b>Supplemental disclosures of cash flow information:</b>		
In-kind donated goods and services	<u>\$ 44,535</u>	<u>\$ 26,425</u>
Unrelated business income taxes paid	<u>\$ 7,000</u>	<u>\$ -</u>

# AIDS VACCINE ADVOCACY COALITION

## Notes to Financial Statements December 31, 2019 and 2018

### 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.

#### [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.

Management evaluates the recoverability of the investment in long-lived assets on an on-going basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of December 31, 2019 and 2018 in the opinion of management, there were no impairments. It is reasonably possible that relevant conditions could change in the near term and necessitate a change in management’s estimate of the recoverability of these assets.

## AIDS VACCINE ADVOCACY COALITION

### Notes to Financial Statements December 31, 2019 and 2018

#### 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 designed 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, 2019 and 2018 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, 2019 and 2018, the accrued vacation obligation was approximately \$202,000 and \$186,000, respectively, and was reported as part of accounts payable and accrued expenses in the statements of financial position.

##### [8] Grants payable:

Grants are recognized as an obligation to AVAC at the time they are approved. Grants are generally paid within one year of approval or in the case of multi-year grants, the liability is recorded when any stipulated conditions have been satisfied by the recipient. Grants approved, but unpaid, were approximately \$4,092,000 and \$4,220,000, respectively, at December 31, 2019 and 2018, 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, 2019 and 2018, the deferred rent obligation was approximately \$13,000 and \$23,000, 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." It is AVAC's policy to report contributions subject to donor restrictions, which are received and expended in satisfaction of the restriction within the same year of donation, as net-assets without donor restrictions.

## AIDS VACCINE ADVOCACY COALITION

### Notes to Financial Statements December 31, 2019 and 2018

#### 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.

###### (ii) *Donated goods and 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 goods and services are recorded at their estimated fair values at the dates of donation and are reported without donor restriction unless the donor has restricted any donated assets to specific purposes. Donated goods and services are reported as both contributions and offsetting expenses in the statements of activities.

During 2019, AVAC received donated goods related to travel with a fair value of \$44,535. Travel and software equipment with a fair value of \$26,425 was received in 2018.

##### [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 is allocated on the basis of space usage.

##### [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.

Subsequent to December 31, 2019, the provision in the tax code requiring AVAC to remit a tax attributable to transportation fringe benefits was repealed retroactively to December 31, 2017, thereby eliminating AVAC’s obligation for this tax. AVAC will file a claim of refund for any taxes paid subsequent to December 31, 2017 relating to transportation fringe benefits.

## AIDS VACCINE ADVOCACY COALITION

### Notes to Financial Statements December 31, 2019 and 2018

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

##### [14] Adoption of accounting pronouncement:

(i) *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made:*

In June 2018, the FASB issued Accounting Standards Update (“ASU”) No. 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. This standard provides a framework for evaluating whether grants should be accounted for as exchange transactions or as non-exchange transactions. For non-exchange transactions, the new guidance clarifies whether arrangements are conditional or unconditional. The effective date for the standard was staggered as follows: (i) the standard is effective for resource recipients for years beginning after December 15, 2018; accordingly, AVAC is required to adopt this portion of the ASU for its year ended December 31, 2019; and (ii) the standard is effective for resource providers for years beginning after December 15, 2019. AVAC is currently assessing what impact, if any, the resource provider section of the standard will have on its 2020 year-end financial statements. Analysis of various provisions of this standard resulted in no significant changes in the way AVAC recognized revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis.

##### [15] Upcoming accounting pronouncements:

(i) *Revenue from Contracts with Customers:*

In May 2014, the FASB issued ASU No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers and supersedes most current revenue recognition guidance, including industry-specific guidance. ASU No. 2014-09 requires an entity to recognize revenue depicting the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard permits the use of either the retrospective or cumulative effect transition method. The adoption of ASU No. 2014-09 is not expected to have a material effect on AVAC’s financial statements, but will require enhanced disclosures. As a result of recent deferrals due to COVID-19, the new standard is effective for fiscal years beginning after December 15, 2019; accordingly, AVAC is currently evaluating the effect that this new guidance will have on the financial statements and related disclosures.

(ii) *Leases:*

In February 2016, the FASB issued its new lease accounting guidance in ASU No. 2016-02, *Leases*. ASU No. 2016-02 will require lessees to recognize for all leases (with terms of more than 12 months) at the commencement date the following: a) a lease liability, which is a lessee’s obligation to make lease payments arising from a lease, measured on a discounted basis, and b) a right-of-use-asset, which is an asset that represents the lessee’s right to use, or control the use of, a specified asset for the lease term. The new lease guidance also simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees will no longer be provided with a source of off-balance sheet financing. As a result of recent deferrals due to COVID-19, ASU No. 2016-02 will be effective for private not-for-profit organizations for fiscal years beginning after December 15, 2021. AVAC is currently evaluating the effect that this new guidance will have on the financial statements and related disclosures.

## AIDS VACCINE ADVOCACY COALITION

### Notes to Financial Statements December 31, 2019 and 2018

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

##### [15] Upcoming accounting pronouncements: (continued)

(iii) *Accounting Updates to Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets:*

In September 2020, the FASB issued ASU No. 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.

##### [16] Reclassification:

Certain amounts in AVAC's prior-year's financial statements have been reclassified to conform to the current year's presentation.

##### [17] Subsequent events:

AVAC evaluated subsequent events through November 9, 2020, the date on which the financial statements were available to be issued.

## AIDS VACCINE ADVOCACY COALITION

### Notes to Financial Statements December 31, 2019 and 2018

#### NOTE B - RECEIVABLES

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

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
Due in less than one year:		
United States Agency for International Development	\$ 590,063	\$ 223,998
Bill and Melinda Gates Foundation	3,300,000	3,300,000
Other contributions	2,197	4,102
Other receivables	<u>87,477</u>	<u>24,354</u>
	<b>3,979,737</b>	3,552,454
Due in one to five years:		
Bill and Melinda Gates Foundation	<u>3,300,000</u>	<u>6,600,000</u>
	<b>7,279,737</b>	10,152,454
Reduction of contributions due in excess of one year to present value, at a discount rate of 2.5%	<u>(159,013)</u>	<u>(394,634)</u>
	<b><u>\$ 7,120,724</u></b>	<b><u>\$ 9,757,820</u></b>

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 2015, AVAC received a commitment of funding of approximately \$2 million over five years from Family Health International ("FHI 360") funded by the United States Agency for International Development ("USAID") for the Optimizing Prevention Technology Introduction ON Schedule Consortium (OPTIONS), which AVAC co-leads with FHI 360 and Wits Reproductive Health ("Wits RHI"). Based on overall funding from USAID, FHI 360 then obligates funding on an annual basis. The annual funding is conditional on AVAC's submission and FHI 360's and USAID's approvals of an annual workplan and budget. Entitlement to funds depends on incurring certain expenses in compliance with the rules and regulations of the Office of Management and Budget ("OMB"). At December 31, 2019 and 2018 AVAC received approximately \$1.9 and \$1.5 million, respectively. The balance of the funding will be recorded as revenue as AVAC meets the conditions of the agreement.

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 the 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 OMB. Subsequent to the 2019 year-end, AVAC received a five-year extension of the contract with an additional \$20 million in funding. At December 31, 2019 and 2018, AVAC received approximately \$11.5 and \$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.



## AIDS VACCINE ADVOCACY COALITION

### Notes to Financial Statements December 31, 2019 and 2018

#### NOTE C - CONDITIONAL FUNDING (CONTINUED)

During 2016, AVAC received a commitment of funding of approximately \$24 million from the Bill and Melinda Gates Foundation (the "Gates Foundation") to be paid over a five-year period. The grant is in relation to Market Manager for HIV Prevention (to support various charitable purposes for product delivery of HIV prevention). The funding is conditional upon AVAC meeting certain milestone provisions prior to receiving the next payment. As of December 31, 2019 and 2018, AVAC received approximately \$ 20 and \$15 million of the total committed funding with a balance of approximately \$4 million remaining as of December 31, 2019. The balance of the funding will be recorded as revenue as AVAC meets the conditions of the grant.

During 2017, AVAC received an additional commitment of funding of approximately \$6 million from the Gates Foundation to be paid over a three-year period. The grant is in relation to the COMPASS Africa program (the Coalition to build momentum, power, activism, strategy & solidarity in Africa). The funding is conditional upon AVAC meeting certain milestone provisions prior to receiving the next payment. At December 31, 2019 and 2018, respectively, AVAC received approximately \$5 and \$3 million of the total committed funding with a balance of approximately \$1 million remaining as of December 31, 2019. The balance of the funding will be recorded as revenue as AVAC annually meets the conditions of the grant.

During 2018, AVAC received an additional commitment of funding of approximately \$13.2 million from the Gates Foundation to be used for general operating support to advance HIV prevention. At December 31, 2019 and 2018, respectively, approximately \$7 and \$3 million of the grant has been received. The remainder of the grant will be paid over a two-year period. The remainder of the funding is conditional upon AVAC successful completion of the milestones of the agreement. The balance of the funding will be recorded as revenue as AVAC meets the conditions of the agreement.

During 2019, AVAC received a one-year commitment of funding of approximately \$1.2 million from Children's Investment Fund Foundation ("CIFF"). At December 31, 2019, AVAC has received \$800,000 upon signing of the contract. The remainder of the funding is conditional upon AVAC successful completion of the milestones of the agreement. The balance of the funding will be recorded as revenue as AVAC meets the conditions of the agreement.

#### NOTE D - PROPERTY AND EQUIPMENT

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

	December 31,	
	2019	2018
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>(159,111)</u>	<u>(148,867)</u>
	<u>\$ 8,373</u>	<u>\$ 18,617</u>

## AIDS VACCINE ADVOCACY COALITION

### Notes to Financial Statements December 31, 2019 and 2018

#### NOTE E - NET ASSETS WITH DONOR RESTRICTIONS

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

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
Purpose restricted:		
Market manager for HIV program	\$ -	\$ 1,051,815
COMPASS Africa	617,679	484,141
Family Health International	36,064	-
Children's Investment Fund Foundation	180,898	-
Other programs	<u>6,295</u>	<u>6,295</u>
	<b>840,936</b>	1,542,251
Restricted for time:		
*Bill and Melinda Gates Foundation	<u>6,440,987</u>	<u>9,505,366</u>
	<b><u>\$ 7,281,923</u></b>	<b><u>\$ 11,047,617</u></b>

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

	<u>December 31,</u>	
	<u>2019</u>	<u>2018</u>
Market manager for HIV program	\$ 6,111,016	\$ 5,453,831
COMPASS Africa	1,716,462	2,217,536
Family Health International	429,131	-
Children's Investment Fund Foundation	619,102	-
Bill and Melinda Gates Foundation*	3,300,000	-
Bill and Melinda Gates Foundation - Media	299,101	-
Other programs	<u>-</u>	<u>970,316</u>
	<b><u>\$ 12,474,812</u></b>	<b><u>\$ 8,641,683</u></b>

\*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 makes 100% match on the first 3% of compensation deferred plus 50% match on the next 2% of compensation deferred. AVAC contributed approximately \$121,000 and \$103,000, to the plan at December 31, 2019 and 2018, respectively.

## AIDS VACCINE ADVOCACY COALITION

### Notes to Financial Statements December 31, 2019 and 2018

#### NOTE G - BANK LINE OF CREDIT

In September 2016, 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 2019 or 2018. The line of credit has been renewed through September 2020.

#### NOTE H - CONCENTRATION OF REVENUE

During 2019 and 2018, AVAC received grants and contributions from two major unrelated parties that represented approximately 87% and 99%, respectively, of total support and revenues.

#### 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 AND CONTINGENCIES

##### [1] Leases:

On January 2011, AVAC entered into an operating lease agreement for office space with an unrelated party that expires in March 2021. AVAC is also obligated under various non-cancelable operating leases for equipment that expire in 2022. Rent expense related to the office space for the years ended December 31, 2019 and 2018 was approximately \$187,000 in both years.

The minimum annual future lease payments under the lease agreements are as follows:

<u>Year</u>	<u>Amounts</u>
2020	\$ 196,900
2021	54,600
2022	<u>750</u>
	<u>\$ 252,250</u>

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 expires April 30, 2021 and can be terminated by the landlord at any time.

##### [2] Government funding:

Government-funded activities are subject to audit by the applicable granting agencies. For the years ended December 31, 2019 and 2018, 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.

## AIDS VACCINE ADVOCACY COALITION

### Notes to Financial Statements December 31, 2019 and 2018

#### NOTE J - COMMITMENTS AND CONTINGENCIES (CONTINUED)

##### [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, including the duration and spread of the outbreak and related travel advisories and restrictions and the impact of COVID-19 on overall demand for AVAC's services, all of which are highly uncertain and cannot be predicted. If demand for AVAC's services are impacted for an extended period, results of operations may be materially adversely affected.

#### 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>2019</u>	<u>2018</u>
Cash and cash equivalents	<b>\$ 4,719,231</b>	\$ 5,469,411
Grants, contributions, and other receivables	<b><u>7,120,724</u></b>	<u>9,757,820</u>
Total financial assets available within one year	<b><u>11,839,955</u></b>	<u>15,227,231</u>
Less:		
Amounts unavailable for general expenditures within one year, due to:		
Restrictions for the passage of time	<b>(6,440,987)</b>	(9,505,366)
Restrictions by donors for purpose restrictions	<b><u>(840,936)</u></b>	<u>(1,542,251)</u>
Total amounts unavailable for general expenditure within year	<b><u>(7,281,923)</u></b>	<u>(11,047,617)</u>
Total financial assets available to meet cash needs for general expenditure within one year	<b><u>\$ 4,558,032</u></b>	<u>\$ 4,179,614</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**

Board of Directors  
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, 2019, 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 November 9, 2020.

***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*.



## ***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  
November 9, 2020

EISNERAMPER  
LLP



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

Board of Directors  
AIDS Vaccine Advocacy Coalition

**Report on Compliance for Its Major Federal Program**

We have audited AIDS Vaccine Advocacy Coalition (“AVAC”) compliance with the types of compliance requirements described in the Office of Management and Budget (“OMB”) *Compliance Supplement* that could have a direct and material effect on AVAC's major federal program for the year ended December 31, 2019. AVAC's major federal program is identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for AVAC's major federal program, based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 AVAC'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 on compliance for the major federal program. However, our audit does not provide a legal determination of AVAC's compliance.

***Opinion on Major Federal Program***

In our opinion, AVAC complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2019.

## ***Report on Internal Control Over Compliance***

Management of AVAC is responsible for establishing and maintaining effective internal control over compliance with the aforementioned types of compliance requirements. In planning and performing our audit of compliance, we considered AVAC's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of AVAC'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 to 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. 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 first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

*EisnerAmper LLP*

EISNERAMPER LLP  
New York, New York  
November 9, 2020



# **AIDS VACCINE ADVOCACY COALITION**

## **Schedule of Findings and Questioned Costs Year Ended December 31, 2019**

### **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, 2019.

### **Section III - Federal Award Findings and Questioned Costs**

No matters reported for the year ended December 31, 2019.

### **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, 2019**

<u>Agency/Program</u>	<u>Federal CFDA#</u>	<u>Entity Identifying Number</u>	<u>Pass- Through to Subrecipients</u>	<u>Federal Expenditures</u>
<b>U.S. Agency for International Development:</b>				
Direct Federal Funding:				
Foreign Assistance for Programs Overseas:				
HIV Vaccine and Biomedical Prevention Research Project Research Project	98.001		\$ 1,213,675	\$ 3,324,366
Passthrough from Family Health International:				
Foreign Assistance for Programs Overseas Optimizing Prevention Technology Introduction on Schedule	98.001	AID-OAAA-A15-00035	-	<u>465,194</u>
<b>Totals</b>			<u>\$ 1,213,675</u>	<u>\$ 3,789,560</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, 2019**

#### **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, 2019. 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 the 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.