

Financial Statements Together with  
Report of Independent Certified Public  
Accountants

**THE FOUNDATION FOR AIDS RESEARCH**  
(formerly known as The American Foundation  
for AIDS Research)

September 30, 2020 and 2019

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## REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Trustees of  
The Foundation for AIDS Research

### Report on the financial statements

We have audited the accompanying financial statements of The Foundation for AIDS Research (a New York not-for-profit corporation, also known as “amfAR”), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

#### Management’s responsibility for the financial statements

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. 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 audit 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 amfAR’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 amfAR’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 The Foundation for AIDS Research as of September 30, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Grant Thornton LLP*

New York, New York  
March 4, 2021

**The Foundation for AIDS Research**  
**STATEMENTS OF FINANCIAL POSITION**  
**September 30,**

	<b>2020</b>	<b>2019</b>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents (Note 2)	\$ 3,725,042	\$ 6,826,913
Pledge receivable, net (Note 4)	639,936	867,952
Accounts receivable, net (Note 2)	3,839,668	6,339,168
Prepaid expenses and other current assets	2,483,358	2,778,108
Total current assets	10,688,004	16,812,141
Investments (Note 3)	40,425,763	43,859,109
Investments - other (Note 3)	323,338	323,338
Fixed assets, net (Note 5)	2,925,831	2,800,812
Other assets	376,582	361,703
Total assets	\$ 54,739,518	\$ 64,157,103
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 2,489,524	\$ 2,769,299
CARES Act Paycheck Protection Program Loan (Note 6)	1,643,364	-
Short-term grants and fellowships payable (Note 7)	1,052,816	2,086,068
Deferred support and refundable advances (Note 2)	6,138,184	7,947,789
Total current liabilities	11,323,888	12,803,156
Other long-term liabilities	1,769,736	1,869,386
Total liabilities	13,093,624	14,672,542
Commitments and contingencies (Note 12)		
<b>NET ASSETS</b>		
Without donor restrictions:		
Undesignated	23,043,920	28,800,099
Board designated (Note 2)	14,630,199	16,454,810
Total net assets without donor restrictions	37,674,119	45,254,909
With donor restrictions (Note 8)	3,971,775	4,229,652
Total net assets	41,645,894	49,484,561
Total liabilities and net assets	\$ 54,739,518	\$ 64,157,103

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

The Foundation for AIDS Research

STATEMENTS OF ACTIVITIES

For the years ended September 30, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>PUBLIC SUPPORT AND REVENUE</b>						
Grants and contributions:						
Public support (Note 9)	\$ 2,331,408	\$ 368,755	\$ 2,700,163	\$ 3,427,834	\$ 880,173	\$ 4,308,007
Special events, net of direct donor benefit expenses of \$4,406,464 and \$13,901,071 in 2020 and 2019, respectively	4,160,852	1,599,944	5,760,796	15,565,605	1,115,040	16,680,645
Planned giving	2,921,019	145,219	3,066,238	1,171,813	984,783	2,156,596
Total grants and contributions	9,413,279	2,113,918	11,527,197	20,165,252	2,979,996	23,145,248
Government funding	6,657,827	-	6,657,827	6,017,798	-	6,017,798
Net investment return (Note 3)	2,583,062	22,435	2,605,497	2,538,228	10,507	2,548,735
Other revenues	3,067	-	3,067	3,295	-	3,295
Net assets released from restrictions (Note 8)	2,394,230	(2,394,230)	-	2,642,562	(2,642,562)	-
Total public support and revenue	21,051,465	(257,877)	20,793,588	31,367,135	347,941	31,715,076
<b>EXPENSES</b>						
Program services:						
Research	11,753,894	-	11,753,894	15,365,954	-	15,365,954
TREAT Asia	4,546,418	-	4,546,418	4,670,067	-	4,670,067
GMT initiative	-	-	-	268,329	-	268,329
Public policy	1,776,060	-	1,776,060	2,049,054	-	2,049,054
Public information	3,664,653	-	3,664,653	4,098,005	-	4,098,005
Total program services	21,741,025	-	21,741,025	26,451,409	-	26,451,409
Supporting services:						
Fundraising	4,533,696	-	4,533,696	5,884,444	-	5,884,444
Management and general	2,357,534	-	2,357,534	2,445,341	-	2,445,341
Total supporting services	6,891,230	-	6,891,230	8,329,785	-	8,329,785
Total expenses	28,632,255	-	28,632,255	34,781,194	-	34,781,194
Change in net assets	(7,580,790)	(257,877)	(7,838,667)	(3,414,059)	347,941	(3,066,118)
Net assets, beginning of year	45,254,909	4,229,652	49,484,561	48,668,968	3,881,711	52,550,679
Net assets, end of year	\$ 37,674,119	\$ 3,971,775	\$ 41,645,894	\$ 45,254,909	\$ 4,229,652	\$ 49,484,561

The accompanying note are an integral part of these financial statements.

**The Foundation for AIDS Research**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended September 30, 2020

	Program Services					Supporting Services			Total	
	Research	TREAT Asia	GMT Initiative	Public Policy	Public Information	Total Program Services	Fundraising	Management and General		Total Supporting Services
Grants and awards	\$ 4,168,242	\$ 1,728,984		\$ -	\$ -	\$ 5,897,226	\$ -	\$ -	\$ -	\$ 5,897,226
Salaries	1,595,585	1,435,643	-	841,661	1,668,743	5,541,632	1,694,985	968,086	2,663,071	8,204,703
Payroll taxes and benefits	660,855	338,856	-	310,920	811,701	2,122,332	637,950	427,456	1,065,406	3,187,738
Program technical support	499,113	152,044	-	193,344	9,311	853,812	-	-	-	853,812
Professional fees	113,923	64,876	-	64,186	326,576	569,561	746,653	215,100	961,753	1,531,314
Supplies, printing, postage and shipping	3,077,715	7,061	-	10,927	150,950	3,246,653	251,451	8,865	260,316	3,506,969
Occupancy and telecommunication	732,104	236,204	-	125,257	216,246	1,309,811	380,795	232,216	613,011	1,922,822
Travel, conferences and meetings	74,680	316,386	-	76,952	108,730	576,748	324,245	6,254	330,499	907,247
Depreciation and amortization	139,920	45,065	-	23,822	39,975	248,782	63,565	44,323	107,888	356,670
Equipment, subscription and dues	245,593	79,354	-	47,165	134,223	506,335	116,433	79,301	195,734	702,069
Administrative fees	5,371	1,986	-	1,017	1,671	10,045	2,175	179,801	181,976	192,021
Other	144,702	44,594	-	30,397	111,933	331,626	180,931	102,338	283,269	614,895
Bad debt	296,091	95,365	-	50,412	84,594	526,462	134,513	93,794	228,307	754,769
<b>Total expenses</b>	<b><u>\$ 11,753,894</u></b>	<b><u>\$ 4,546,418</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,776,060</u></b>	<b><u>\$ 3,664,653</u></b>	<b><u>\$ 21,741,025</u></b>	<b><u>\$ 4,533,696</u></b>	<b><u>\$ 2,357,534</u></b>	<b><u>\$ 6,891,230</u></b>	<b><u>\$ 28,632,255</u></b>

The accompanying note are an integral part of this financial statement.

**The Foundation for AIDS Research**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
For the year ended September 30, 2019

	Program Services					Supporting Services			Total	
	Research	TREAT Asia	GMT Initiative	Public Policy	Public Information	Total Program Services	Fundraising	Management and General		Total Supporting Services
Grants and awards	\$ 8,045,603	\$ 1,891,311	\$ 94,843	\$ 77,995	\$ -	\$ 10,109,752	\$ -	\$ -	\$ -	\$ 10,109,752
Salaries	1,674,829	1,336,198	100,156	786,080	1,605,911	5,503,174	1,682,689	939,556	2,622,245	8,125,419
Payroll taxes and benefits	660,929	305,587	34,147	306,458	695,266	2,002,387	616,606	401,910	1,018,516	3,020,903
Program technical support	520,758	174,660	1,999	280,470	8,043	985,930	-	-	-	985,930
Professional fees	97,242	67,625	1,853	120,725	610,638	898,083	1,173,281	235,332	1,408,613	2,306,696
Supplies, printing, postage and shipping	2,462,657	21,993	580	15,606	160,928	2,661,764	678,324	11,398	689,722	3,351,486
Occupancy and telecommunication	822,043	221,491	15,831	110,792	198,053	1,368,210	488,129	215,490	703,619	2,071,829
Travel, conferences and meetings	159,698	385,094	1,538	164,537	260,258	971,125	831,497	6,411	837,908	1,809,033
Depreciation and amortization	196,233	52,623	3,739	26,206	45,442	324,243	70,599	51,322	121,921	446,164
Equipment, subscription and dues	261,209	90,256	4,788	49,848	135,577	541,678	105,190	72,826	178,016	719,694
Administrative fees	19,677	5,795	374	2,783	4,627	33,256	7,835	349,846	357,681	390,937
Other	167,482	42,994	3,191	70,482	308,979	593,128	130,424	88,649	219,073	812,201
Bad debt	277,594	74,440	5,290	37,072	64,283	458,679	99,870	72,601	172,471	631,150
<b>Total expenses</b>	<b><u>\$ 15,365,954</u></b>	<b><u>\$ 4,670,067</u></b>	<b><u>\$ 268,329</u></b>	<b><u>\$ 2,049,054</u></b>	<b><u>\$ 4,098,005</u></b>	<b><u>\$ 26,451,409</u></b>	<b><u>\$ 5,884,444</u></b>	<b><u>\$ 2,445,341</u></b>	<b><u>\$ 8,329,785</u></b>	<b><u>\$ 34,781,194</u></b>

The accompanying note are an integral part of this financial statement.

**The Foundation for AIDS Research**

**STATEMENTS OF CASH FLOWS**

**For the years ended September 30,**

	<b>2020</b>	<b>2019</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (7,838,667)	\$ (3,066,118)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Realized and unrealized gains on investments	(1,629,839)	(1,333,507)
Donated securities	(22,526)	(63,158)
Depreciation and amortization	356,670	446,164
Donor contributions restricted in perpetuity	(7,933)	(6,750)
Bad debt expense	754,769	631,150
Changes in operating assets and liabilities:		
Pledges receivable	228,016	(168,852)
Accounts receivable	1,744,732	(581,342)
Prepaid expenses and other assets	279,871	1,345,630
Accounts payable and accrued expenses	(279,775)	(885,823)
Short-term and long-term grants and fellowships payable	(1,033,252)	(682,772)
Deferred support and refundable advances	(1,809,605)	(648,638)
Other long-term liabilities	(99,650)	(95,682)
	<u>(9,357,189)</u>	<u>(5,109,698)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of investments	(16,477,819)	(16,755,516)
Sale of investments	21,563,532	23,533,474
Purchase of fixed assets	(481,692)	(325,443)
	<u>4,604,021</u>	<u>6,452,515</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Donor contributions restricted in perpetuity	7,933	6,750
Proceeds from paycheck protection program loan	1,643,364	-
	<u>1,651,297</u>	<u>6,750</u>
Decrease (increase) in cash and cash equivalents	(3,101,871)	1,349,567
Cash and cash equivalents, beginning of year	<u>6,826,913</u>	<u>5,477,346</u>
Cash and cash equivalents, end of year	<u>\$ 3,725,042</u>	<u>\$ 6,826,913</u>

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

**THE FOUNDATION FOR AIDS RESEARCH**  
**(formerly known as The American Foundation for AIDS Research)**

**NOTES TO THE FINANCIAL STATEMENTS**

**September 30, 2020 and 2019**

**NOTE 1 - NATURE OF OPERATIONS**

The Foundation for AIDS Research (the “Foundation”) or (“amfAR”) is an international not-for-profit organization incorporated in New York in 1989. amfAR was formed through the unification of two not-for-profit organizations, the AIDS Medical Foundation (“AMF”), incorporated in New York in April 1983, and the National AIDS Research Foundation, incorporated in California in August 1985. First based in California, amfAR transferred its legal domicile to New York in 1989, using the initial incorporation documents of AMF, making it AMF’s legal successor. amfAR has offices in New York, NY; Washington, D.C.; and Bangkok, Thailand. On March 7, 2005, the Board of Trustees of the American Foundation for AIDS Research approved a change in legal name to “The Foundation for AIDS Research.” On October 18, 2005, the New York State Department of State approved this change. In addition, the Foundation has secured approval for doing business as (“DBA”) the following:

- American Foundation for AIDS Research;
- amfAR; and
- AIDS Research Foundation

amfAR is exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code (the “Code”) and corresponding New York Revenue and Taxation Code sections, and contributions to amfAR are deductible in accordance with the Code.

amfAR is dedicated to ending the global AIDS epidemic through innovative research. The Foundation accomplishes this mission through:

- Research to explore scientific approaches for preventing, treating, and curing HIV infection and enhancing the health and survival of people with HIV/AIDS;
- International initiatives to facilitate the development and implementation of effective research, treatment, prevention, and education strategies in developing countries;
- Public policy analysis and the advocacy of rational and compassionate policies that promote public health and protect the rights of people threatened by HIV/AIDS; and
- Public information programs to build awareness of the continued threat HIV/AIDS poses and to provide up-to-date medical, scientific, and prevention information to people with HIV/AIDS, healthcare professionals, and the public.

amfAR’s programmatic activities include the following:

***Research***

amfAR supports research projects that explore novel approaches to scientifically sound, but untested hypotheses in all areas of research on HIV/AIDS, funding goal-oriented grants and fellowships that often lack the preliminary data required for support from traditional grant-makers. The Foundation plays a vital role in HIV/AIDS research, identifying critical gaps in knowledge and providing essential seed money that enables scientists to test the merits of new concepts or technologies, which can subsequently be validated through large-scale studies. amfAR’s top research priority is the pursuit of a cure for HIV/AIDS. In 2014, amfAR launched the Countdown to a Cure for AIDS (C2C), a research initiative aimed at developing the scientific basis for a cure. To that end, amfAR initiated a multi-year investment strategy designed to advance a range of scientific approaches with the potential to achieve HIV remission or cure. The cornerstone of the strategy is the amfAR Institute for HIV Cure Research, established in 2016 with a five-year \$20 million grant to the University of California, San Francisco.

**THE FOUNDATION FOR AIDS RESEARCH**  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2020 and 2019**

Additionally, amfAR's Mathilde Krim Fellowships in Basic Biomedical Research program supports the development of outstanding young researchers who have demonstrated a commitment to preventing, treating, and curing HIV/AIDS. In response to the COVID-19 pandemic, amfAR expanded its efforts to include research on the coronavirus by establishing the amfAR Fund to Fight COVID-19. In FY2020, amfAR awarded nine research grants and fellowships that are leading to important advances in our understanding of HIV/AIDS and our pursuit of a cure, and two grants advancing COVID-19-related research. amfAR-funded researchers published 80 scientific papers in leading peer-reviewed journals.

***TREAT Asia***

amfAR's TREAT Asia program is a network of hospitals, clinics, and research institutions working with civil society to ensure the safe and effective delivery of HIV/AIDS treatments across Asia and the Pacific. The network currently encompasses 20 pediatric and 21 adult sites caring for people living with HIV. Established in 2003, the TREAT Asia HIV Observational Database generates critical information on disease and treatment patterns. Data collected and analyzed in a parallel pediatric database is informing treatment and care for children and adolescents living with HIV. TREAT Asia also manages the Asia-Pacific region of the International Epidemiology Databases to Evaluate AIDS, a global collaboration established by the U.S. National Institute of Allergy and Infectious Diseases. TREAT Asia scientists produced 33 publications in peer-reviewed medical journals in FY2020. Through its research education program, TREAT Asia provides training to help network members strengthen their clinical research skills and boost the quality of care in the region. TREAT Asia's work in FY2020 included projects to improve treatment outcomes and mental health of children, adolescents, and adults living with HIV; studies of substance use and pre-exposure prophylaxis (PrEP) for men who have sex with men and transgender women; and advocacy and training initiatives to improve access to newer HIV and hepatitis C medications. The team also implemented a training program for junior researchers in the region to learn how to study the intersections between HIV and mental health.

***GMT Initiative***

The two implementation science studies being supported by amfAR's GMT Initiative came to an end in 2019, bringing the initiative to a close. The three-year projects in Myanmar and Thailand were aimed at determining the most effective ways of engaging gay men, other men who have sex with men (MSM), and transgender individuals (collectively, GMT) at risk of infection or already living with HIV. The goal was to help those who were HIV-negative stay uninfected and help HIV-positive individuals begin and remain on treatment. A third project in Peru ended in 2018.

***Public Policy***

Informed by thorough research and analysis, amfAR is a highly respected advocate of rational and compassionate AIDS-related public policy. Through its Public Policy office, amfAR is engaged in efforts to secure necessary increases in funding for HIV/AIDS research and global HIV/AIDS programs, expand access to treatment and care, and protect the civil rights of all people affected by HIV/AIDS. In FY2020, the Foundation produced special reports and infographics on critical issues such as the impact of the Expanded Mexico City Policy on U.S. President's Emergency Plan for AIDS Relief (PEPFAR) programming, the inequities and policies undermining the federal government's ending the HIV Epidemic (EHE) initiative, and the impact of the COVID-19 pandemic on PEPFAR programming. The Policy Office added data about racial disparities in the COVID-19 pandemic to the amfAR EHE database (ehe.amfar.org) in response to a paucity of information on racially disparate impacts.

**THE FOUNDATION FOR AIDS RESEARCH**  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2020 and 2019**

This work builds on the success of amfAR's Opioid and Health Indicators database (opioid.amfar.org). These free online resources display data across the interrelated epidemics of opioid use, hepatitis C, and HIV, and allow users to connect policy, service availability, and epidemiological data at the state and county level. amfAR also maintains a comprehensive database (copsdata.amfar.org) of allocations and expenditures by the PEPFAR, and a companion PEPFAR Monitoring, Evaluation, and Reporting Database (mer.amfar.org), which makes PEPFAR's performance data usable for advocates. Among numerous papers and reports authored by amfAR staff, papers describing racial disparities in the spread and impact of COVID-19 in the U.S. received widespread media attention. Much of this work was presented by the Public Policy Director in a plenary at the AIDS 2020 conference.

***Public Information***

amfAR translates and disseminates information on important HIV/AIDS-related research, treatment, prevention, and policy issues to diverse audiences worldwide in order to increase awareness and knowledge of HIV/AIDS. The Foundation publishes a wide range of educational materials including its biannual newsletter, *Innovations*; the *TREAT Asia Report*; a monthly e-mail newsletter; and program reports and updates on important HIV/AIDS issues. amfAR also works with the media to raise the public profile of HIV/AIDS, conducts public service advertising campaigns, provides expert commentary on HIV/AIDS-related issues, and engages public figures, HIV/AIDS scientists, and policymakers in communicating the need for continued research to develop new methods of prevention, treatment, and, ultimately, a cure for HIV. Articles and reports involving amfAR were carried in numerous media outlets in FY2020, including *The New York Times*, *The Wall Street Journal*, *The Washington Post*, *Fast Company*, *The Atlantic*, *Vice*, *HuffPost*, *Business Insider*, *U.S. News & World Report*, *Vox*, *Vanity Fair*, *New York Magazine*, *People*, *Gizmodo*, *The Verge*, *The Advocate*, *Politico*, *The Hill*, Reuters, Associated Press, CBS News, BBC News, CNN, NPR, MSNBC, ABC News, and NBC News.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***Basis of Accounting***

amfAR's financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("US GAAP").

***Basis of Financial Statement Presentation***

amfAR's net assets are classified and reported based upon the existence or absence of donor-imposed restrictions as follows:

Net Assets without Donor Restriction

Represent net assets which are not restricted by donors. Net assets without donor restrictions are funds that are fully available, at the discretion of the Board of Trustees and management, for amfAR to utilize in any of its programs or supporting services. Net assets without donor restrictions may be designated for specific purposes by amfAR's Board of Trustees or may be limited by legal requirements or contractual agreements with outside parties.

**THE FOUNDATION FOR AIDS RESEARCH**  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2020 and 2019**

amfAR's Board of Trustees has designated certain net assets without donor restriction for the C2C program. The following schedule represents the related activity for the years ended September 30, 2020 and 2019:

	2020	2019
Balance, beginning of year	\$ 3,980,364	\$ 6,512,760
Designations	1,614,632	2,967,680
Utilizations	(2,456,668)	(5,500,076)
Balance, end of year	\$ 3,138,328	\$ 3,980,364

In addition, amfAR's Board of Trustees has designated a general reserve for potential operating shortfalls of \$11,491,872 and \$12,474,446 as of September 30, 2020 and 2019, respectively.

Net Assets with Donor Restriction

Represent net assets which are subject to donor-imposed restrictions whose use is restricted by time and/or purpose. A portion of amfAR's net assets with donor restrictions are subject to donor-imposed restrictions that require amfAR to use or expend the gifts as specified, based on purpose or passage of time. When donor restrictions expire, that is, when a purpose restriction is fulfilled or a time restriction ends, such net assets are reclassified to net assets without donor restrictions and reported on the statement of activities as net assets released from restrictions.

Another portion of net assets with donor restrictions stipulates that the corpus of the gifts be maintained in perpetuity but allow for the expenditure of net investment income and gains earned on the corpus for either specified or unspecified purposes.

***Cash and Cash Equivalents***

Cash equivalents include highly liquid investments with original maturities of three months or less from the date of purchase.

Financial instruments which potentially subject amfAR to concentrations of credit risk consist primarily of cash and cash equivalents. amfAR maintains its cash and cash equivalents in various bank deposit accounts, which, at times, may exceed federally insured limits. amfAR does not anticipate, nor has it experienced, any losses in such accounts.

***Investments***

Investments in debt and equity securities, mutual funds and money market funds are carried at fair value based upon published market prices at the end of the fiscal year or management's estimate of amounts to be realized on settlement. Contributed investments are recorded at fair value at the date of gift.

Gains and losses on the sale of investments are calculated by the specific-identification method. Investment return and net gains and losses on the sale of investments are recognized as increases or decreases in net assets without donor restrictions unless their use is restricted by the donor.

**THE FOUNDATION FOR AIDS RESEARCH**  
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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**September 30, 2020 and 2019**

***Fair Value Measurements***

amfAR follows guidance that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the inputs used to measure fair value, and enhances disclosure requirements for fair value measurements. The guidance maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect assumptions that market participants would use in pricing the asset or liability based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the transparency of inputs as follows:

- Level 1 - Quoted prices are available in active markets for identical financial instruments as of the measurement date. The types of investments in Level 1 include listed equities held in the name of amfAR, and exclude listed equities and other securities held directly through commingled funds;
- Level 2 - Pricing inputs, including broker quotes, are generally those other than exchange quoted prices in active markets, which are either directly or indirectly observable as of the measurement date, and fair value is determined through the use of models or other valuation methodologies; and
- Level 3 - Pricing inputs are unobservable for the financial instruments and include situations where there is little, if any, market activity for the financial instruments. The inputs into the determination of fair value require significant management judgment or estimation. Investments that are included in this category generally include privately held investments, partnerships and similar interests.

Inputs are used in applying the various valuation techniques and broadly refer to the assumptions that market participants use to make valuation decisions, including assumptions about risk. Inputs may include price information, volatility statistics, specific and broad credit data, liquidity statistics, and other factors. A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. However, the determination of what constitutes "observable" requires significant judgment by amfAR. amfAR considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to amfAR's perceived risk of that instrument.

***Fixed Assets***

Fixed assets purchased in excess of \$2,500, which include furniture and fixtures, equipment, computer hardware and software, and leasehold improvements, are capitalized and recorded at cost or fair value at date of acquisition. If multiple units of the same or a similar item are purchased together, with an individual cost between \$1,000 and \$2,500 and a total cost of at least \$5,000, the multiple items will be capitalized. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Amortization of leasehold improvements is provided on a straight-line basis over the shorter of their estimated life or the remaining life of the lease.

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The estimated useful lives of amfAR's fixed assets are as follows:

Computer hardware	3 years
Computer software	3 to 5 years
Office equipment	5 years
Furniture and fixtures	7 years
Leasehold improvements	5 to 15 years

**Revenue Recognition**

In 2020, amfAR adopted Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 clarifies and improves the scope and the accounting guidance for contributions received and made, including guidance to help an entity evaluate whether transactions should be accounted for as contributions (nonreciprocal transactions) or as exchanges (reciprocal) transactions and determine whether a contribution is conditional. Adoption of the standard did not have a material impact on amfAR's financial statements for the year ending September 30, 2020.

**Special Events**

Revenues and expenses relative to special events are recognized upon occurrence of the respective event, with the exception of revenues from the auction of unique experiences which are recognized once amfAR has substantially fulfilled its responsibility to the donor purchasing the auction item. As of September 30, 2020, and 2019, amfAR had balances pertaining to donor commitments of \$4,953,988 and \$5,489,919, respectively, from the auction of unique experiences where amfAR has not substantially fulfilled its responsibility to the donor. These amounts are reflected within deferred support and refundable advances in the statements of financial position. Of these amounts, \$1,408,331 and \$1,848,051 remain unpaid and are included within accounts receivable, net as of September 30, 2020 and 2019, respectively. Additionally, amfAR has received payment for event sponsorships, ticket and table sales, and other items pertaining to future events in the amount of \$506,053 and \$1,979,880 as of September 30, 2020 and 2019, respectively that is included in deferred support and refundable advances in the statements of financial position.

**Contributions**

Contributions, both cash and in-kind, are recorded at fair value when received. Contributions received with donor stipulations that limit the use of the donated assets are reported within net assets with donor restrictions. When donor restrictions are fulfilled, net assets with donor restrictions are reported in the statements of activities as net assets released from restrictions. amfAR records planned giving income (e.g., bequests) at the time it has an established right to such income and the proceeds are measurable. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met. amfAR did not have any conditional pledges as of September 30, 2020 or 2019.

**Government Funding**

Grants and contracts from government agencies are recorded based on the terms of the agreements, which generally state that revenue is earned as allowable costs are incurred. Amounts received in advance are recorded as deferred support and refundable advances in the statements of financial position.

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amfAR receives and expends resources in connection with its administration of federal and other governmental grants and contracts. The terms of these agreements generally allow granting agencies the right to audit costs incurred thereunder, and potentially disallow a portion thereof and/or adjust funding on a prospective basis. In the opinion of management, audit adjustments, if any, are not expected to have a significant effect on the financial statements.

***Accounts Receivable***

Receivables contain some level of uncertainty surrounding timing and amount of collection; therefore, amfAR maintains an allowance for doubtful accounts for estimated losses that may result from the inability of its donors to make planned payments. Such allowances are based upon several factors including, but not limited to, historical collection experience and the nature of the fundraising activity. amfAR writes off receivables when they are deemed to be uncollectible and any amounts subsequently collected are recorded as income in the period received. As of September 30, 2020, accounts receivable of approximately \$3.7 million were due to be collected within one year, and the remaining approximately \$1.4 million pertains to the auction of unique experiences of special events where timing of collection is uncertain. See the special event note above. The allowance for doubtful accounts for accounts receivable at September 30, 2020 and 2019 was \$1,300,000 and \$1,520,000, respectively.

***Donated Goods and Services***

Certain donated professional services for technical advisory support have been reflected in the financial statements as public support and expenses based on the estimated fair value for such services on the date received if they met the criteria for recognition. The value of donated services reflected in the financial statements for the years ended September 30, 2020 and 2019, is \$39,074 and \$103,168, respectively. amfAR also benefits from volunteer time; provided, however, such services do not meet the criteria for recognition under US GAAP and are not reflected in the financial statements.

Donated goods that meet the criteria for capitalization are recorded as revenues and assets (at fair value when received) on the financial statements. amfAR did not receive any donated goods that met the criteria for capitalization during the years ended September 30, 2020 and 2019.

***Grants and Awards***

amfAR's grants and awards are generally awarded for a period of 1 to 4 years. Conditional multiyear grants are not reflected in the grants payable balance until the conditions are satisfied. Grants and awards are expensed over their periods of performance.

***Income Taxes***

amfAR follows guidance that clarifies the accounting for uncertainty in tax positions taken or expected to be taken in a tax return, including issues relating to financial statement recognition and measurement. This guidance provides that the tax effects from an uncertain tax position can only be recognized in the financial statements if the position is more likely than not to be sustained if the position were to be challenged by a taxing authority. The assessment of the tax position is based solely on the technical merits of the position, without regard to the likelihood that the tax position may be challenged.

amfAR is exempt from federal income tax under IRC section 501(c)(3), though it is subject to tax on income unrelated to its exempt purpose, unless that income is otherwise excluded by the Code. amfAR has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; to determine its filing and tax obligations in jurisdictions for which it was nexus; and to identify and evaluate other matters that may be considered tax positions. amfAR has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

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**September 30, 2020 and 2019**

***Use of Estimates***

The preparation of financial statements in conformity with US GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. The most significant estimates and assumptions relate to the determination of allowances for doubtful accounts; the reserve for estimated unexpended grants and fellowships; allocation of expenses amongst functional categories and useful lives of fixed assets. Actual results could differ from those estimates.

***Allocated Expenses***

amfAR's expenses have been summarized on a functional basis in accordance with generally accepted accounting standards for voluntary health and welfare organizations. Most expenses may be directly identified to their related program or supporting service function, and are recorded accordingly. Indirect expenses have been allocated based on a percentage of each program's direct expenses over total program costs, or other basis considered appropriate given the nature of the expense.

**NOTE 3 - INVESTMENTS**

Investments, which are classified under Level 1 within the fair value hierarchy, consisted of the following at September 30, 2020 and 2019:

	2020		2019	
	Cost	Fair Value	Cost	Fair Value
Money market funds	\$ 1,283,866	\$ 1,283,866	\$ 1,100,112	\$ 1,100,112
Mutual funds - equity	11,531,208	12,640,615	10,032,525	11,301,825
Mutual funds - fixed income	12,233,089	12,423,291	10,418,606	10,470,880
Government securities	7,565,000	7,968,262	11,610,947	11,893,441
Corporate bonds	3,493,782	3,718,604	5,047,537	5,248,397
Equities	1,609,784	2,391,125	2,625,495	3,844,454
	<u>\$ 37,716,729</u>	<u>\$ 40,425,763</u>	<u>\$ 40,835,222</u>	<u>\$ 43,859,109</u>

amfAR's investments in certificates of deposit of \$323,338 as of September 30, 2020 and 2019 are classified as Investments - other in the accompanying statements of financial position and are carried at amortized cost. These investments do not qualify as securities as defined by the guidance, and as such, fair value disclosures are not provided. Investment return for the years ended September 30, 2020 and 2019, is as follows:

	2020	2019
Interest and dividends, net of expenses	\$ 975,658	\$ 1,215,228
Realized and unrealized gains	1,629,839	1,333,507
	<u>\$ 2,605,497</u>	<u>\$ 2,548,735</u>

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**September 30, 2020 and 2019**

**NOTE 4 - PLEDGES RECEIVABLE, NET**

Pledges receivable totaled \$639,936 and \$867,952, net of allowances for doubtful accounts and discount of \$58,000 and \$83,000 at September 30, 2020 and 2019, respectively. As of September 30, 2020, pledge receivable of \$197,936 were due to be collected within one year, and \$500,000 were due to be collected in future years. Pledges receivable were discounted at the rate of 1.5%.

**NOTE 5 - FIXED ASSETS, NET**

Fixed assets, net at September 30, 2020 and 2019, consisted of the following:

	2020	2019
Computer hardware	\$ 1,484,433	\$ 1,469,933
Computer software	2,495,942	882,886
Office equipment	307,521	304,826
Furniture and fixtures	744,407	744,407
Leasehold improvements	2,542,490	2,542,490
Construction in progress	202,370	1,353,506
Total	7,777,163	7,298,048
Less: Accumulated depreciation and amortization	(4,851,332)	(4,497,236)
Fixed assets, net	\$ 2,925,831	\$ 2,800,812

**NOTE 6 - PAYCHECK PROTECTION PROGRAM LOAN**

On May 6, 2020, amfAR was granted a loan in aggregate amount of \$1,643,364 pursuant to the Small Business Administration Paycheck Protection Program (“the PPP”) under Division A, Title 1 of the CARES Act (the “PPP Loan”).

The PPP Loan, which was in the form of a note dated May 1, 2020, matures on May 6, 2022 and bears interest at a rate of 1% per annum. The PPP Loan may be prepaid by amfAR at any time prior to maturity with no repayment penalties. Funds from the PPP Loan may only be used for certain costs, such as payroll costs and occupancy expenses. The loan and accrued interest are forgivable as long as the borrower uses the loan proceeds as described in the CARES Act.

amfAR used the entire PPP Loan for qualifying expenses as described in the CARES Act and have initiated the process of the loan forgiveness request according to the terms of the PPP Loan.

**NOTE 7 - GRANTS AND FELLOWSHIPS PAYABLE, NET**

amfAR provides grants and fellowships to independent not-for-profit organizations through a peer-review process. Grant applications are first reviewed by the Foundation’s volunteer scientific advisory committee, which comprises recognized experts in the medical, scientific, and social sciences disciplines relevant to HIV and AIDS.

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**September 30, 2020 and 2019**

The scientific advisory committee then sends its evaluations to one of the three committees (research, global initiatives or public policy) of the Foundation's program board, which serves in an advisory capacity to the Board of Trustees. After a program committee has completed its review of the applications, it presents its funding recommendations to amfAR's executive committee and/or the full Board of Trustees for final approval and funding authorization.

Grants and fellowships are payable over a one-to-four-year period and are revocable at amfAR's option if the recipient's performance or use of funds is not consistent with the terms of the grant or fellowships. In certain cases, the actual amounts paid under grants and fellowship awards may be less than the original award if the recipient does not use the full amount awarded. Therefore, a reserve for unexpended grants and fellowships has been recorded.

Subawards are grants awarded to not-for-profit organizations to support the costs of collaboration and participation in HIV/AIDS-related research projects for which amfAR has secured restricted funds. Subawards are payable over a one-year period, although advance payments, in full or in part, may be issued following execution of the subaward agreement. Subawards are contingent upon the availability of funds and are revocable if the recipients' performance or use of funds is not consistent with the subaward terms.

Grants and fellowships payable at September 30, 2020 and 2019, are as follows:

	<u>2020</u>	<u>2019</u>
	<u>Short-Term</u>	<u>Short-Term</u>
Research	\$ 1,613,347	\$ 2,922,668
TREAT Asia	39,469	53,400
GMT Initiative	-	10,000
	<u>1,652,816</u>	<u>2,986,068</u>
Less: Reserve for estimated unexpended grants and fellowships	<u>(600,000)</u>	<u>(900,000)</u>
Grants and fellowships payable, net	<u>\$ 1,052,816</u>	<u>\$ 2,086,068</u>

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**September 30, 2020 and 2019**

**NOTE 8 - NET ASSETS**

Net assets with donor restrictions at September 30, 2020 and 2019 are restricted as follows:

	Net Assets With Donor Restrictions as of September 30, 2019	Contributions With Donor Restrictions in Fiscal 2020	Net Assets Released from Restrictions in Fiscal 2020	Net Assets With Donor Restrictions as of September 30, 2020
Purpose restrictions:				
Research	\$ 2,491,551	\$ 2,100,985	\$ (2,306,003)	\$ 2,286,533
TREAT Asia	225,952	-	(85,727)	140,225
Public policy	526,916	2,500	(2,500)	526,916
Public information	107,865	-	-	107,865
Special events	176,000	2,500	-	178,500
Donor-restricted endowment funds:				
Corpus	379,333	7,933	-	387,266
Accumulated unspent earnings	322,035	22,435	-	344,470
	<u>\$ 4,229,652</u>	<u>\$ 2,136,353</u>	<u>\$ (2,394,230)</u>	<u>\$ 3,971,775</u>
	Net Assets With Donor Restrictions as of September 30, 2018	Contributions With Donor Restrictions in Fiscal 2019	Net Assets Released from Restrictions in Fiscal 2019	Net Assets With Donor Restrictions as of September 30, 2019
Purpose restrictions:				
Research	\$ 2,552,003	\$ 2,542,294	\$ (2,602,746)	\$ 2,491,551
TREAT Asia	10,816	225,952	(10,816)	225,952
Public policy	526,916	29,000	(29,000)	526,916
Public information	107,865	-	-	107,865
Special events	-	176,000	-	176,000
Donor-restricted endowment funds:				
Corpus	372,583	6,750	-	379,333
Accumulated unspent earnings	311,528	10,507	-	322,035
	<u>\$ 3,881,711</u>	<u>\$ 2,990,503</u>	<u>\$ (2,642,562)</u>	<u>\$ 4,229,652</u>

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**September 30, 2020 and 2019**

**NOTE 9 - PUBLIC SUPPORT**

Public support for the years ended September 30, 2020 and 2019, is as follows:

	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Corporate contributions	\$ 29,474	\$ -	\$ 29,474
Individual contributions	345,118	29,313	374,431
Foundation contributions	180,200	164,640	345,840
Grants	279,377	-	279,377
Direct response	1,417,267	173,802	1,591,069
Workplace campaigns	79,972	-	79,972
Total	<u>\$ 2,331,408</u>	<u>\$ 368,755</u>	<u>\$ 2,700,163</u>

  

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Corporate contributions	\$ 87,568	\$ 231,500	\$ 319,068
Individual contributions	431,125	104,150	535,275
Foundation contributions	250,879	295,550	546,429
Grants	1,093,518	-	1,093,518
Direct response	1,474,463	248,973	1,723,436
Workplace campaigns	90,281	-	90,281
Total	<u>\$ 3,427,834</u>	<u>\$ 880,173</u>	<u>\$ 4,308,007</u>

**NOTE 10 - JOINT COSTS**

Direct response joint program costs incurred in connection with the mailing of informational materials that included fundraising appeals have been allocated as follows:

	2020	2019
Fundraising	\$ 252,656	\$ 361,719
Public policy	29,780	39,230
Public information	76,312	117,123
	<u>\$ 358,748</u>	<u>\$ 518,072</u>

The allocation of costs is based upon the content of the materials, their intended purpose and the audience to whom they are distributed.

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**NOTE 11 - PENSION PLAN**

amfAR sponsors a defined contribution plan for employees who elect to participate and have completed two years of service. Eligibility requirements were reduced to six months of service effective July 1, 2008. Under the plan, amfAR contributed \$581,569 and \$588,721 for the years ended September 30, 2020 and 2019, respectively, calculated using a two-for-one match of employee contributions.

**NOTE 12 - COMMITMENTS AND CONTINGENCIES**

***Conditional Grants***

amfAR's Board of Trustees approved certain conditional grants with a period of performance in future fiscal years. Those grants were awarded subject to amfAR's availability of funds and the grantee's encumbrance of expenditures. If these conditions are satisfied, expenditures will be recognized, and payments will be made over the remaining terms of the grants. Remaining commitments at September 30, 2020 and 2019, under these grants totaled \$10,040,467 and \$13,356,729, respectively.

***Litigation***

amfAR, in the normal course of its operations, may be a party to legal proceedings and complaints. While it is not feasible to predict the ultimate outcomes of such matters, management of amfAR is not aware of any claims or contingencies that would have a material adverse effect on amfAR's financial position, changes in net assets or cash flows.

***Operating Leases and Other Long-Term Commitments***

The approximate future minimum rental commitments required under long-term lease commitments for office space in New York, New York, Washington, D.C. and Bangkok, Thailand, and other long-term commitments are as follows:

Year Ending September 30,

2021	\$ 1,852,837
2022	1,742,570
2023	1,363,736
2024	1,356,762
2025	1,361,921
2026 and subsequent years	<u>2,293,953</u>
	<u>\$ 9,971,779</u>

Rent expense for the years ended September 30, 2020 and 2019, was \$1,489,748 and \$1,462,463, respectively.

Certain of amfAR's lease agreements include rent escalation clauses. Since the payments are not equal over the term of the leases, the total rental payments are accounted for on a straight-line basis over the life of the leases. Accordingly, a deferred rent liability of \$1,446,603 and \$1,572,406 existed at September 30, 2020 and 2019, respectively, and has been recorded on the statements of financial position within other long-term liabilities.

In June 2011, amfAR signed a lease amendment for its office in New York. Under the terms of the amendment, the lease is extended through August 2027. In addition, amfAR signed an irrevocable letter of credit in the amount of \$323,338 in lieu of the existing security deposit.

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**NOTE 13 - ENDOWMENTS**

amfAR's endowment consists of donor-restricted endowment funds.

amfAR adopted New York State's version of the Uniform Prudent Management of Institutional Funds Act ("UPMIFA") or ("NYPMIFA") during the year ended September 30, 2010 and classifies as donor-restricted endowment funds (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) the accumulations to the endowment made in accordance with the directions of the applicable donor gift instrument.

The remaining portion of the donor-restricted endowment fund represent accumulated unspent earnings and remains within the endowment assets until those amounts are appropriated for expenditure by amfAR in a manner consistent with the uses, benefits, purposes and duration for which the endowment is established and the standard of prudence prescribed by NYPMIFA.

In making a determination to appropriate or accumulate, amfAR considers the following factors: (1) the duration and preservation of its endowment fund; (2) the purposes of amfAR and its endowment fund; (3) general economic conditions; (4) the possible effect of inflation or deflation; (5) the expected total return from income and the appreciation of investments; (6) other resources of amfAR; and (7) the investment policy of amfAR.

The following presents information relative to amfAR's endowment net assets with donor restrictions by type of fund as of September 30, 2020 and 2019:

	2020	2019
Donor-restricted endowment funds	\$ 731,736	\$ 701,368

The following presents the changes in endowment net assets for the fiscal year ended September 30, 2020:

	2020	2019
Endowment net assets, beginning of year	\$ 701,368	\$ 684,111
Contributions	7,933	6,750
Interest and dividends from the endowment	16,852	20,626
Realized and unrealized loss (gain)	5,583	(10,119)
Endowment net assets, end of year	\$ 731,736	\$ 701,368

amfAR uses a total-return approach for its portfolio, as such, endowment assets are invested in the same securities as the overall portfolio as described in Note 3.

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**NOTE 14 - LIQUIDITY**

amfAR's financial assets available within one year of the Statement of Financial Position date for general expenditures are as follows:

As of September 30, 2020

	2020	2019
Cash and cash equivalents	\$ 3,752,042	\$ 6,826,913
Accounts and pledges receivable*	2,597,936	2,423,681
Investments	40,425,763	43,859,109
Total financial assets	46,775,741	53,109,703
Less:		
Contractual, legal or donor-imposed restrictions	3,971,775	4,229,652
Board-designated net assets	14,630,199	16,454,810
Total amount unavailable for general expenditures within one year	18,601,974	20,684,462
Financial assets available to meet cash needs for general expenditures within one year	\$ 28,173,767	\$ 32,425,241

\*Net of receivables related to special events due to uncertainty of collection periods

amfAR is primarily supported by contributions (both with and without donor restriction). Due to donor restrictions requiring resources to be used in a particular manner or in future periods, amfAR maintains sufficient resources to meet those responsibilities to its donors. As such, financial assets may not be available for general expenditures within one year. amfAR manages its liquidity and reserves following three guiding principles: Operating within a prudent range of financial soundness and stability, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To follow these principles, the entity forecasts its future cash flows and monitors its liquidity regularly and monitors its reserves annually. During the years ended September 30, 2020 and 2019, the level of liquidity and reserves was managed within this requirement.

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**NOTE 15 - IMPACT OF COVID-19**

The emergence and rapid spread of COVID-19 across the United States in early 2020 has impacted worldwide economic activity and financial markets, had an immediate, substantial and sustained impact on amfAR's operational and fundraising capacity. With fundraising performance tied in large part to amfAR's ability to orchestrate and execute benefit galas across the U.S. and around the world, the coronavirus lockdown and strict limitations on international travel and congregate events brought this revenue stream to a halt almost overnight. Since the spring of 2020, all live fundraising events have been suspended, all nonessential expenses have been eliminated, and amfAR has been dependent on its financial reserves. The foundation remains in a holding pattern until such time as widespread vaccine distribution has controlled the pandemic to the extent that unfettered international travel and large gatherings of people can resume. Management has considered the consequences of COVID and determined that there is no current material uncertainty identified that would affect its ability to continue its mission to end the global AIDS epidemic through innovative research. However, there is significant uncertainty around the breadth and duration of business disruptions related to COVID, as well as its impact on the U.S. and international economies and, as such, the Foundation is unable to determine if it will have a future material negative impact on its operations or financial condition.

**NOTE 16 - SUBSEQUENT EVENTS**

amfAR evaluated its September 30, 2020 financial statements for subsequent events through March 4, 2021, the date the financial statements were available to be issued.

On February 19, 2021, amfAR was approved for a second PPP Loan totaling \$1,677,930. The PPP Loan matures in February 2026, and bear interest at a rate of 1% per annum. The PPP Loan may be prepaid by amfAR at any time prior to maturity with no prepayment penalties. Funds from the PPP Loan may only be used for certain costs, such as payroll costs, occupancy expenses, and certain other expenses.

amfAR is not aware of any other subsequent events which would require recognition or disclosure in the accompanying financial statements.