

Financial Statements and Report of
Independent Certified Public
Accountants

**The Foundation for AIDS Research (formerly
known as The American Foundation for AIDS
Research)**

September 30, 2022 and 2021

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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**Opinion**

We have audited the 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, 2022 and 2021, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of amfAR as of September 30, 2022 and 2021, 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.

Basis for opinion

We conducted our audits of the financial statements in accordance with auditing standards generally accepted in the United States of America (US GAAS). Our responsibilities under US GAAS are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of amfAR and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of management for the financial statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about amfAR’s ability to continue as a going concern for one year after the date the financial statements are issued.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with US GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with US GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of amfAR's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about amfAR's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Grant Thornton LLP

New York, New York
March 20, 2023

The Foundation for AIDS Research
(formerly known as The American Foundation for AIDS Research)

STATEMENTS OF FINANCIAL POSITION

September 30,

	2022	2021
ASSETS		
Current assets		
Cash and cash equivalents (Note 2)	\$ 4,392,774	\$ 2,387,272
Pledges receivable, net (Note 4)	92,474	558,346
Accounts receivable, net (Note 2)	9,810,449	5,657,274
Prepaid expenses and other current assets	2,950,568	2,952,283
Total current assets	17,246,265	11,555,175
Investments (Note 3)	34,789,671	40,993,248
Investments - other (Note 3)	323,338	323,338
Fixed assets, net (Note 5)	2,435,956	2,491,626
Other assets	390,807	480,208
Total assets	\$ 55,186,037	\$ 55,843,595
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued expenses	\$ 3,431,342	\$ 2,834,273
Line of Credit (Note 7)	850,000	3,509,082
Short-term grants and fellowships payable (Note 8)	743,456	1,246,435
Deferred support and refundable advances (Note 2)	13,553,638	7,916,273
Total current liabilities	18,578,436	15,506,063
Other long-term liabilities	1,513,249	1,717,253
Total liabilities	20,091,685	17,223,316
Commitments and contingencies (Note 12)		
Net assets		
Without donor restrictions:		
Undesignated	20,390,025	24,200,006
Board designated (Note 2)	12,281,703	11,166,524
Total net assets without donor restrictions	32,671,728	35,366,530
With donor restrictions (Note 9)	2,422,624	3,253,749
Total net assets	35,094,352	38,620,279
Total liabilities and net assets	\$ 55,186,037	\$ 55,843,595

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)

STATEMENTS OF ACTIVITIES

Years ended September 30,

	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue						
Grants and contributions:						
Public support (Note 10)	\$ 3,731,857	\$ 456,901	\$ 4,188,758	\$ 4,518,163	\$ 496,969	\$ 5,015,132
Special events, (net of direct donor benefit expenses of \$14,918,705 and \$7,778,459 in 2022 and 2021), respectively	15,748,781	50,000	15,798,781	2,294,424	255,231	2,549,655
Planned giving	3,206,597	60,000	3,266,597	2,149,353	50,000	2,199,353
Total grants and contributions	22,687,235	566,901	23,254,136	8,961,940	802,200	9,764,140
Government funding	7,444,441	-	7,444,441	7,809,988	-	7,809,988
PPP loan forgiveness and funding (Note 6)	-	-	-	3,321,294	-	3,321,294
Net investment return (Note 3)	(6,340,984)	(88,040)	(6,429,024)	3,489,367	48,499	3,537,866
Other revenues	20,283	-	20,283	7,860	-	7,860
Net assets released from restrictions (Note 9)	1,309,986	(1,309,986)	-	1,568,725	(1,568,725)	-
Total public support and revenue	25,120,961	(831,125)	24,289,836	25,159,174	(718,026)	24,441,148
Expenses						
Program services:						
Research	9,067,686	-	9,067,686	10,940,454	-	10,940,454
TREAT Asia	4,381,101	-	4,381,101	4,446,646	-	4,446,646
Public policy	2,169,497	-	2,169,497	1,722,629	-	1,722,629
Public information	3,558,130	-	3,558,130	3,085,757	-	3,085,757
Total program services	19,176,414	-	19,176,414	20,195,486	-	20,195,486
Supporting services:						
Fundraising	6,082,791	-	6,082,791	4,953,774	-	4,953,774
Management and general	2,556,558	-	2,556,558	2,317,503	-	2,317,503
Total supporting services	8,639,349	-	8,639,349	7,271,277	-	7,271,277
Total expenses	27,815,763	-	27,815,763	27,466,763	-	27,466,763
CHANGE IN NET ASSETS	(2,694,802)	(831,125)	(3,525,927)	(2,307,589)	(718,026)	(3,025,615)
Net assets, beginning of year	35,366,530	3,253,749	38,620,279	37,674,119	3,971,775	41,645,894
Net assets, end of year	<u>\$ 32,671,728</u>	<u>\$ 2,422,624</u>	<u>\$ 35,094,352</u>	<u>\$ 35,366,530</u>	<u>\$ 3,253,749</u>	<u>\$ 38,620,279</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)

STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2022

	Program Services				Supporting Services				Total
	Research	TREAT Asia	Public Policy	Public Information	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Grants and awards	\$ 1,633,653	\$ 1,493,917	\$ 353,058	\$ -	\$ 3,480,628	\$ -	\$ -	\$ -	\$ 3,480,628
Salaries	1,307,235	1,462,216	902,955	1,551,161	5,223,567	1,844,591	919,395	2,763,986	7,987,553
Payroll taxes and benefits	601,194	423,047	420,326	809,188	2,253,755	673,326	470,497	1,143,823	3,397,578
Program technical support	195,714	176,816	126,820	9,562	508,912	-	-	-	508,912
Professional fees	85,362	65,505	39,927	308,997	499,791	989,347	203,220	1,192,567	1,692,358
Supplies, printing, postage and shipping	4,052,189	9,368	2,571	39,601	4,103,729	674,738	6,225	680,963	4,784,692
Occupancy and telecommunication	575,492	284,648	134,350	190,468	1,184,958	623,177	292,391	915,568	2,100,526
Travel, conferences and meetings	71,261	190,730	63,224	169,175	494,390	782,120	6,094	788,214	1,282,604
Depreciation and amortization	125,958	62,103	29,404	41,225	258,690	85,990	63,769	149,759	408,449
Equipment, subscription and dues	207,591	103,117	47,269	123,914	481,891	137,138	97,568	234,706	716,597
Administrative fees	4,493	2,497	1,143	1,523	9,656	2,864	347,331	350,195	359,851
Other	207,544	107,137	48,450	313,316	676,447	269,500	150,068	419,568	1,096,015
Total expenses	\$ 9,067,686	\$ 4,381,101	\$ 2,169,497	\$ 3,558,130	\$ 19,176,414	\$ 6,082,791	\$ 2,556,558	\$ 8,639,349	\$ 27,815,763

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

The Foundation for AIDS Research
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STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2021

	Program Services				Supporting Services				Total
	Research	TREAT Asia	Public Policy	Public Information	Total Program Services	Fundraising	Management and General	Total Supporting Services	
Grants and awards	\$ 4,260,993	\$ 1,863,626	\$ 190,233	\$ -	\$ 6,314,852	\$ -	\$ -	\$ -	\$ 6,314,852
Salaries	1,518,381	1,430,493	803,130	1,530,394	5,282,398	1,717,534	954,464	2,671,998	7,954,396
Payroll taxes and benefits	687,840	379,995	345,158	811,136	2,224,129	658,568	461,556	1,120,124	3,344,253
Program technical support	331,356	188,572	159,778	7,674	687,380	-	-	-	687,380
Professional fees	117,747	48,473	43,815	110,807	320,842	892,043	218,362	1,110,405	1,431,247
Supplies, printing, postage and shipping	2,650,903	4,547	1,139	68,938	2,725,527	432,042	4,749	436,791	3,162,318
Occupancy and telecommunication	800,066	272,570	107,768	189,250	1,369,654	544,199	260,371	804,570	2,174,224
Travel, conferences and meetings	29,901	76,494	(392)	74,309	180,312	367,353	380	367,733	548,045
Depreciation and amortization	171,274	58,146	23,053	40,053	292,526	69,089	55,645	124,734	417,260
Equipment, subscription and dues	273,218	86,773	35,647	113,093	508,731	119,795	86,995	206,790	715,521
Administrative fees	7,476	2,782	1,011	1,767	13,036	3,229	211,738	214,967	228,003
Other	91,299	34,175	12,289	138,336	276,099	149,922	63,243	213,165	489,264
Total expenses	\$ 10,940,454	\$ 4,446,646	\$ 1,722,629	\$ 3,085,757	\$ 20,195,486	\$ 4,953,774	\$ 2,317,503	\$ 7,271,277	\$ 27,466,763

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

The Foundation for AIDS Research
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STATEMENTS OF CASH FLOWS

Years ended September 30,

	2022	2021
Cash flows from operating activities:		
Change in net assets	\$ (3,525,927)	\$ (3,025,615)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Realized and unrealized losses (gains) on investments	7,370,583	(2,789,058)
Donated securities	(88,714)	(217,327)
Depreciation and amortization	408,449	417,260
Donor contributions restricted in perpetuity	(4,700)	(5,380)
Provision for bad debts	255,000	(61,800)
Paycheck protection program loan forgiveness and funding	-	(3,321,294)
Changes in operating assets and liabilities:		
Pledges receivable	465,872	81,590
Accounts receivable	(4,408,175)	(1,755,806)
Prepaid expenses and other assets	242,244	(555,605)
Accounts payable and accrued expenses	597,069	344,749
Short-term and long-term grants and fellowships payable	(502,979)	193,619
Deferred support and refundable advances	5,637,365	1,778,089
Other long-term liabilities	(204,004)	(52,483)
	6,242,083	(8,969,061)
Net cash provided by (used in) operating activities		
Cash flows from investing activities:		
Purchase of investments	(12,521,367)	(12,103,929)
Sale of investments	11,443,075	14,542,828
Purchase of fixed assets	(503,907)	-
	(1,582,199)	2,438,899
Net cash (used in) provided by investing activities		
Cash flows from financing activities:		
Donor contributions restricted in perpetuity	4,700	5,380
Proceeds from paycheck protection program loan	-	1,677,930
Changes in line of credit	(2,659,082)	3,509,082
	(2,654,382)	5,192,392
Net cash (used in) provided by financing activities		
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,005,502	(1,337,770)
Cash and cash equivalents, beginning of year	2,387,272	3,725,042
Cash and cash equivalents, end of year	\$ 4,392,774	\$ 2,387,272

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 FINANCIAL STATEMENTS

September 30, 2022 and 2021

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
- 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 low- and middle-income 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;
- 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 living 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 many areas of research on HIV/AIDS, with a primary focus on the pursuit of a cure. 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. In 2014, amfAR launched the Countdown to a Cure for AIDS, a multi-year research initiative designed to advance a range of scientific approaches with the potential to achieve HIV remission or cure. The cornerstone of the Countdown to a Cure is the amfAR Institute for HIV Cure Research, which in August 2020 launched a unique and potentially groundbreaking clinical trial to test a combination of agents in an effort to induce post-treatment control in people living with

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NOTES TO FINANCIAL STATEMENTS - CONTINUED

September 30, 2022 and 2021

HIV. Additionally, amfAR's Mathilde Krim Fellowships in Basic Biomedical Research support 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, in early 2020 amfAR temporarily expanded its efforts to include research on the coronavirus by establishing the amfAR Fund to Fight COVID-19. In FY2022, 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. amfAR-funded researchers published 28 HIV research papers and three scientific papers on COVID-19 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 treatments across Asia and the Pacific. The network currently encompasses 21 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 in adults, and a parallel pediatric database was initiated in 2008 for children and adolescents living with HIV. TREAT Asia manages the Asia-Pacific region of the International Epidemiology Databases to Evaluate AIDS, a global collaboration supported by the U.S. National Institutes of Health. Through its HIV, mental health, and implementation science research training program, TREAT Asia is building regional capacity among junior researchers to guide the integration of mental health services into routine HIV care. TREAT Asia's work includes projects aimed at improving treatment outcomes and mental health of children, adolescents, and adults living with HIV, as well as studies on engaging older people in care, HIV and TB service integration, and switching treatments with and without viral load monitoring, among others. Advocacy initiatives aim to improve access to newer HIV and hepatitis C medications and to help implement community-led monitoring of HIV treatment programs. TREAT Asia scientists produced 31 publications in peer-reviewed medical journals in FY2022, and TREAT Asia and its network partners presented 10 e-posters and abstracts at the 2022 International AIDS Conference.

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 FY2022, the Public Policy office launched the latest in its suite of databases, Key Populations (kpdata.amfar.org), which allows users to engage with funding and programming data on people who are most vulnerable to HIV. The Public Policy office maintains the amfAR Ending the HIV Epidemic ("EHE") database (ehe.amfar.org), which continues to impact discussions about the domestic HIV response and builds on the successful opioid database (opioid.amfar.org). These free online resources provide 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 levels. amfAR also maintains a comprehensive database (copsdata.amfar.org) of allocations and expenditures by the U.S. President's Emergency Plan for AIDS Relief (PEPFAR), and a companion PEPFAR Monitoring, Evaluation, and Reporting Database (mer.amfar.org), which makes PEPFAR's performance data usable for advocates. In FY2022, amfAR policy research on the impact of the Expanded Mexico City Policy was highlighted by the U.S. Government Accountability Office in their report on international family planning assistance. amfAR continued to support the development of community-led monitoring (CLM) programs in South Africa, Malawi, Zimbabwe, Uganda, and Haiti, partnering with CLM teams to provide technical support on electronic data collection methods and build country-specific databases to quickly transform data from the field into a useable format for advocacy. Among numerous papers and reports authored by amfAR staff were analyses of telehealth services, public health responses to pandemics impacting vulnerable populations, and the limitations of PEPFAR's recency testing-based approach to identify and target HIV transmission "hot-spots." The Public Policy office contributed to the national leadership on the global monkeypox outbreak with numerous publications and presentations.

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September 30, 2022 and 2021

Along with its close work with international AIDS agencies, the Public Policy team advised the White House on a new quality of life indicator for the National HIV/AIDS Strategy, budgeting for opioid/harm reduction services, and establishing a new agency for health innovation. At the 2022 International AIDS Conference, the Policy team presented nine abstracts.

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*; a monthly e-mail newsletter, *Insights*; and program reports, infographics, and updates on important HIV/AIDS issues. amfAR also works with the media to raise the public profile of HIV/AIDS and provides expert commentary on HIV/AIDS-related issues. Articles and reports involving amfAR were carried in numerous media outlets in FY2022, including *Boston Herald*, *Forbes*, *MIT Technology Review*, *Nature*, *POZ*, *The BMJ*, *The Hill*, *USA Today*, *Vanity Fair*, *Variety*, *Women's Wear Daily*, CNN, NBC News, and NPR. amfAR also maintains a lively and growing social media presence, helping expand its reach to a younger demographic.

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 ("U.S. 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 Restrictions

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.

amfAR's Board of Trustees has designated certain net assets without donor restriction for the C2C program. Beginning in fiscal year 2021, amfAR will no longer designate net assets to C2C as the program is near completion. The following schedule represents the related activity for the years ended September 30, 2022 and 2021:

	2022	2021
Balance, beginning of year	\$ 470,575	\$ 3,138,327
Designations - C2C	-	-
Utilizations	(470,575)	(2,667,752)
Balance, end of year	\$ -	\$ 470,575

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September 30, 2022 and 2021

In addition, amfAR's Board of Trustees has designated a general reserve for potential operating shortfalls of \$12,281,703 and \$10,695,949 as of September 30, 2022 and 2021, respectively.

Net Assets with Donor Restrictions

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.

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;

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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.

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

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

Revenue Recognition

amfAR recognizes revenue from contributions, special events, grants and contracts in accordance with guidance that requires amfAR to evaluate whether a transfer of assets is (1) a contribution or (2) an exchange transaction. An exchange transaction is one in which the resource provider is receiving commensurate value in return for the resources transferred. If the transfer of assets is determined to be a contribution, amfAR evaluates whether the contribution is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before amfAR is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of a promisor's obligation to transfer assets.

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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, 2022 and 2021, amfAR had balances pertaining to donor commitments of \$10,720,763 and \$5,111,473, 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, \$5,287,915 and \$1,385,638 remain unpaid and are included within accounts receivable, net as of September 30, 2022 and 2021, respectively. Additionally, amfAR has received payment for event sponsorships, ticket and table sales, and other items pertaining to future events in the amount of \$2,350,321 and \$2,415,067 as of September 30, 2022 and 2021, respectively, that is included in deferred support and refundable advances in the statements of financial position.

Public Support and Planned Giving

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, 2022 or 2021.

amfAR entered into a two-year grant agreement on April 4, 2020 with ViiV Healthcare UK Limited, a company incorporated and registered in England with company number 06990358, whose registered office is at 980 Great West Road, Brentford, Middlesex, TW8 9GS, United Kingdom ("ViiV"). The total grant is for £440,000 or approximately \$536,000. amfAR received the first installment of £220,000 on July 20, 2020 or \$268,173 and the second installment of £220,000 on February 25, 2022 or \$297,572. For the years ended September 30, 2022 and 2021, amfAR incurred expenses of \$142,759 and \$121,629, toward the project leaving unspent balances as of September 30, 2022 and 2021 of \$301,357 and \$146,544, respectively, that is included in deferred support in the statements of financial position.

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.

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

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September 30, 2022 and 2021

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, 2022, accounts receivable of approximately \$4.5 million were due to be collected within one year, and the remaining approximately \$5.3 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, 2022 and 2021 was \$350,000 and \$125,000, 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, 2022 and 2021, is \$39,893 and \$34,800, respectively. Such services were not donor restricted and the estimated fair value of these professional services is provided by the service provider, who estimates the fair value based on the date, time, and market in which each service is rendered. amfAR does not monetize such nonfinancial assets and all such assets were utilized in the appropriate programmatic activity in the same year in which they were received. amfAR also benefits from volunteer time; provided, however, such services do not meet the criteria for recognition under U.S. 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, 2022 and 2021.

Grants and Awards

Upon making grants, amfAR evaluates whether the transfer of assets is (1) a grant or (2) an exchange transaction in which amfAR is receiving commensurate value in return for the resources transferred. If the transfer of assets is determined to be a grant, amfAR evaluates whether the grant is conditional based upon whether the agreement includes both (1) one or more barriers that must be overcome before the recipient is entitled to the assets transferred and promised and (2) a right of return of assets transferred or a right of release of amfAR's obligation to transfer assets.

amfAR's grants and awards are generally awarded for a period of one to four 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 Internal Revenue Code 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

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determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements.

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 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, 2022 and 2021:

	2022		2021	
	Cost	Fair Value	Cost	Fair Value
Money market funds	\$ 545,384	\$ 545,384	\$ 926,675	\$ 926,675
Mutual funds - equity	14,742,494	13,945,926	14,394,121	17,572,043
Mutual funds - fixed income	12,121,120	10,517,522	12,119,755	12,480,571
Government securities	5,408,145	4,974,936	5,691,632	5,758,397
Corporate bonds	4,502,936	4,115,781	3,369,353	3,435,239
Equities	693,095	690,122	619,360	820,323
	<u>\$ 38,013,174</u>	<u>\$ 34,789,671</u>	<u>\$ 37,120,896</u>	<u>\$ 40,993,248</u>

amfAR's investments in certificates of deposit of \$323,338 as of September 30, 2022 and 2021 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, 2022 and 2021 is as follows:

	2022	2021
Interest and dividends, net of expenses	\$ 941,559	\$ 748,808
Realized and unrealized (losses) gains	<u>(7,370,583)</u>	<u>2,789,058</u>
	<u>\$ (6,429,024)</u>	<u>\$ 3,537,866</u>

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NOTE 4 - PLEDGES RECEIVABLE, NET

Pledges receivable totaled \$92,474 and \$558,346, net of allowances for doubtful accounts and discount of \$5,000 and \$50,000 at September 30, 2022 and 2021, respectively. As of September 30, 2022, pledges receivable of \$35,871 were due to be collected within one year, and \$61,603 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, 2022 and 2021, consisted of the following:

	2022	2021
Computer hardware	\$ 1,491,198	\$ 1,484,433
Computer software	2,976,968	2,495,942
Office equipment	315,784	307,521
Furniture and fixtures	744,407	744,407
Leasehold improvements	2,542,490	2,542,490
Construction in progress	34,298	185,425
Total	8,105,145	7,760,218
Less: accumulated depreciation and amortization	(5,669,189)	(5,268,592)
Fixed assets, net	\$ 2,435,956	\$ 2,491,626

NOTE 6 - CARES ACT

PPP Loans

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, matured 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.

In February 22, 2021, amfAR was granted a second draw PPP loan in aggregate amount of \$ 1,677,930 pursuant to the PPP under PPP Loan.

The PPP Loan, which was in the form of a note dated February 19, 2021, matures on February 22, 2026 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.

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amfAR used the entire PPP Loans for qualifying expenses as of September 30, 2021, as described in the CARES Act and the loans were forgiven. The forgiveness was recognized as income for the year ended September 30, 2021.

Employee Retention Credit

The CARES Act also provides an employee retention credit (“CARES Employee Retention credit”), which is a refundable tax credit against certain employment taxes for eligible employers. amfAR qualifies for the tax credit under the CARES Act and expects to continue to receive additional tax credits under the additional relief provisions for qualified wages through December 31, 2021. During the fiscal years ended September 30, 2022 and 2021, amfAR recorded \$0 and \$1,760,531 respectively related to the CARES Employee Retention credit within government funding on the accompanying statements of activities. As of September 30, 2022 and 2021, amfAR has receivable balances of \$821,964 and \$1,289,113, respectively, from the United States government related to the CARES Act, which is recorded within accounts receivable on the accompanying statements of financial position.

NOTE 7 - LINE OF CREDIT

As of February 11, 2021, amfAR has a \$10,000,000 commercial line of credit (on demand) with a Merrill Lynch. Drawdowns on the line are collateralized by amfAR’s investment account. As of September 30, 2022 and 2021 borrowings under the line of credit were \$850,000 and \$3,509,082 respectively. Drawdowns are subject to interest of 1 Month Bloomberg Short-Term Bank Yield Index plus net spread of 1.00%. As of September 30, 2022, amfAR had an accrued interest balance of \$19,431.

NOTE 8 - 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.

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.

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September 30, 2022 and 2021

Grants and fellowships payable at September 30, 2022 and 2021, are as follows:

	2022	2021
	Short Term	Short Term
Research	\$ 1,139,882	\$ 1,689,582
TREAT Asia	451	704
Public policy	53,123	6,149
	1,193,456	1,696,435
Less: reserve for estimated unexpended grants and fellowship	(450,000)	(450,000)
Grants and fellowships payable, net	\$ 743,456	\$ 1,246,435

NOTE 9 - NET ASSETS

Net assets with donor restrictions at September 30, 2022 and 2021 are restricted as follows:

	Net Assets With Donor Restrictions as of September 30, 2021	Contributions With Donor Restrictions in Fiscal 2022	Net Assets Released from Restrictions in Fiscal 2022	Net Assets With Donor Restrictions as of September 30, 2022
Time restrictions:	\$ 20,000	\$	\$ (20,000)	\$ -
Purpose restrictions:				
Research	1,634,853	362,201	(1,139,986)	857,068
Public policy	526,916	150,000	(150,000)	526,916
Public information	107,865	-	-	107,865
Special events	178,500	50,000	-	228,500
Donor-restricted endowment funds:				
Corpus	392,646	4,700	-	397,346
Accumulated unspent earnings	392,969	(88,040)	-	304,929
Total	\$ 3,253,749	\$ 478,861	\$ (1,309,986)	\$ 2,422,624

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	Net Assets With Donor Restrictions as of September 30, 2020	Contributions With Donor Restrictions in Fiscal 2021	Net Assets Released from Restrictions in Fiscal 2021	Net Assets With Donor Restrictions as of September 30, 2021
Time restrictions:	\$ -	\$ 20,000	\$ -	\$ 20,000
Purpose restrictions:				
Research	2,286,533	776,820	(1,428,500)	1,634,853
TREAT Asia	140,225	-	(140,225)	-
Public policy	526,916	-	-	526,916
Public information	107,865	-	-	107,865
Special events	178,500	-	-	178,500
Donor-restricted endowment funds:				
Corpus	387,266	5,380	-	392,646
Accumulated unspent earnings	344,470	48,499	-	392,969
Total	<u>\$ 3,971,775</u>	<u>\$ 850,699</u>	<u>\$ (1,568,725)</u>	<u>\$ 3,253,749</u>

NOTE 10 - PUBLIC SUPPORT

Public support for the years ended September 30, 2022 and 2021 is as follows:

	2022		
	Without Donor Restrictions	With Donor Restrictions	Total
Corporate contributions	\$ 71,893	\$ -	\$ 71,893
Individual contributions	764,329	175,500	939,829
Foundation contributions	374,445	275,000	649,445
Grants	721,570	-	721,570
Direct response	1,696,040	4,696	1,700,736
Workplace campaigns	103,580	1,705	105,285
Total	<u>\$ 3,731,857</u>	<u>\$ 456,901</u>	<u>\$ 4,188,758</u>

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	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Corporate contributions	\$ 25,000	\$ -	\$ 25,000
Individual contributions	1,104,845	139,180	1,244,025
Foundation contributions	350,200	340,000	690,200
Grants	1,035,844	-	1,035,844
Direct response	1,890,585	16,253	1,906,838
Workplace campaigns	111,689	1,536	113,225
Total	<u>\$ 4,518,163</u>	<u>\$ 496,969</u>	<u>\$ 5,015,132</u>

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 \$561,269 and \$572,478 for the years ended September 30, 2022 and 2021, 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, 2022 and 2021, under these grants totaled \$6,655,461 and \$8,202,782, 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.

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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:

Years Ending September 30,

2023	\$ 1,512,833
2024	1,496,017
2025	1,383,023
2026	1,241,489
2027	<u>1,054,522</u>
	<u>\$ 6,687,884</u>

Rent expense for the years ended September 30, 2022 and 2021, was \$1,435,563 and \$1,522,030, 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 \$1,171,912 and \$1,316,127 existed at September 30, 2022 and 2021, 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.

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.

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September 30, 2022 and 2021

The following presents information relative to amfAR's endowment net assets with donor restrictions by type of fund as of September 30, 2022 and 2021:

	2022	2021
Donor-restricted endowment funds	<u>\$ 702,275</u>	<u>\$ 785,615</u>

The following presents the changes in endowment net assets for the fiscal years ended September 30, 2022 and 2021:

	2022	2021
Endowment net assets, beginning of year	\$ 785,615	\$ 731,736
Contributions	4,700	5,380
Interest and dividends from the endowment	17,578	28,926
Realized and unrealized (loss) gain	<u>(105,618)</u>	<u>19,573</u>
Endowment net assets, end of year	<u>\$ 702,275</u>	<u>\$ 785,615</u>

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.

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,	2022	2021
Cash and cash equivalents	\$ 4,392,774	\$ 2,387,272
Accounts and pledges receivable*	4,522,534	4,829,982
Investments	<u>34,789,671</u>	<u>40,993,248</u>
Total financial assets	43,704,979	48,210,502
Less:		
Contractual, legal or donor-imposed restrictions	2,422,624	3,253,749
Board-designated net assets	12,281,703	11,166,524
Investments collateralizing the line of credit	<u>850,000</u>	<u>3,509,082</u>
Total amount unavailable for general expenditures within one year	<u>15,554,327</u>	<u>17,929,355</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 29,000,655</u>	<u>\$ 30,281,147</u>

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

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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, 2022 and 2021, the level of liquidity and reserves was managed within this requirement.

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. amfAR's live fundraising events had been suspended from the spring of 2020 until June 2021, all nonessential expenses have been eliminated, and amfAR has been dependent on its financial reserves. amfAR's live in-person events resumed starting July 2021 and continues to hold a reduced event schedule of events in outdoor settings. 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.

NOTE 16 - SUBSEQUENT EVENTS

amfAR evaluated its September 30, 2022 financial statements for subsequent events through March 20, 2023 the date the financial statements were available to be issued.

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