

EISNERAMPER

AIDS VACCINE ADVOCACY COALITION

FINANCIAL STATEMENTS

December 31, 2018



INDEPENDENT AUDITORS' REPORT

Board of Directors
AIDS Vaccine Advocacy Coalition
New York, New York

Report on the Financial Statements

We have audited the accompanying financial statements of the AIDS Vaccine Advocacy Coalition ("AVAC"), which comprise the statement of financial position as of December 31, 2018, and the related statement of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the organization's preparation and fair presentation of the financial statements, in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the AIDS Vaccine Advocacy Coalition as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended, in accordance with accounting principles generally accepted in the United States of America.



EISNERAMPER LLP
New York, New York
July 8, 2019



AIDS VACCINE ADVOCACY COALITION

Statement of Financial Position December 31, 2018

ASSETS

Cash and cash equivalents	\$ 5,469,411
Grants, contributions, and other receivables	9,757,820
Prepaid expenses and other assets	82,430
Property and equipment, net	<u>18,617</u>

\$ 15,328,278

LIABILITIES

Accounts payable and accrued expenses	\$ 467,503
Grants payable	4,220,314
Deferred revenue	7,636
Deferred rent liability	<u>22,500</u>

Total liabilities 4,717,953

Commitments and contingencies (see Note J)

NET ASSETS

Without donor restrictions	(437,292)
With donor restrictions	<u>11,047,617</u>

Total net assets 10,610,325

\$ 15,328,278

AIDS VACCINE ADVOCACY COALITION

Statement of Activities Year Ended December 31, 2018

	<u>Without Donor Restriction</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Public support and revenue:			
Grants and contributions	\$ 6,967,332	\$ 15,446,586	\$ 22,413,918
Interest income	24,576		24,576
Donated goods and services	26,425		26,425
Other Income	<u>2,428</u>		<u>2,428</u>
 Total public support and revenue before net assets release from restrictions	 7,020,761	 15,446,586	 22,467,347
Net assets released from restrictions	<u>8,641,683</u>	<u>(8,641,683)</u>	<u>0</u>
 Total public support and revenue	 <u>15,662,444</u>	 <u>6,804,903</u>	 <u>22,467,347</u>
Expenses:			
Program services:			
Product introduction and access	4,917,598		4,917,598
Research engagement and preparedness	3,827,003		3,827,003
Implementation advocacy	3,279,384		3,279,384
Strengthening global advocacy networks	1,720,944		1,720,944
Policy data and analytics	1,051,878		1,051,878
Program management and coordination	<u>852,278</u>		<u>852,278</u>
 Total program services	 <u>15,649,085</u>		 <u>15,649,085</u>
Supporting services:			
Finance and administration	887,793		887,793
Fundraising	<u>25,586</u>		<u>25,586</u>
 Total supporting services	 <u>913,379</u>		 <u>913,379</u>
 Total expenses	 <u>16,562,464</u>		 <u>16,562,464</u>
Change in net assets	(900,020)	6,804,903	5,904,883
Net assets, beginning of the year (as restated (see Note A[15]))	<u>462,728</u>	<u>4,242,714</u>	<u>4,705,442</u>
 Net assets, end of the year	 <u><u>\$ (437,292)</u></u>	 <u><u>\$ 11,047,617</u></u>	 <u><u>\$ 10,610,325</u></u>

AIDS VACCINE ADVOCACY COALITION

Statement of Functional Expenses Year Ended December 31, 2018

	<u>Product Introduction and Access</u>	<u>Research Engagement and Preparedness</u>	<u>Implementation Advocacy</u>	<u>Strengthening Global Advocacy Networks</u>	<u>Policy Data and Analytics</u>	<u>Program Management and Coordination</u>	<u>Total Programs</u>	<u>Finance and Administration</u>	<u>Fundraising</u>	<u>Total Supporting Services</u>	<u>Total Expenses</u>
Salaries	\$ 766,428	\$ 908,748	\$ 419,146	\$ 462,567	\$ 245,200	\$ 356,002	\$ 3,158,091	\$ 430,781	\$ 825	\$ 431,606	\$ 3,589,697
Benefits and payroll expenses	230,601	266,411	122,732	137,942	74,262	106,936	\$ 938,884	233,723	244	233,967	1,172,851
Professional fees	216,467	163,649	110,758	240,612	24,347	139,485	895,318	119,303	14,605	133,908	1,029,226
Reports and publications	2,537	211,917	1,115	541	16,366	153,891	386,367	702		702	387,069
Meetings and travel	179,370	197,677	100,039	144,418	22,873	13,722	658,099	7,802	11	7,813	665,912
Conferences	16,253	79,201	6,080	50,231	4,417	3,305	159,487	3,153		3,153	162,640
AVAC meetings	1,982	92,695	59,721	304,398	16	189	459,001	12,056		12,056	471,057
Grants and fellowships	3,432,407	1,762,239	2,410,918	278,226	597,691		8,481,481				8,481,481
Insurance	1,625	2,416	1,135	1,679	1,031	1,315	9,201	1,370	63	1,433	10,634
Postage and delivery	206	8,886	42	1,510	512	2,383	13,539	284	519	803	14,342
Office expenses and supplies	32,559	57,162	22,358	28,384	17,443	38,146	196,052	26,589	991	27,580	223,630
Telephone	9,084	13,416	9,136	12,789	2,116	3,197	49,738	7,515		7,515	57,253
Occupancy	20,844	41,691	10,422	43,493	41,692	31,269	189,411	22,771	7,687	30,458	219,869
Public relations	4,882	17,021	3,596	12,905	3,239	1,426	43,069	471		471	43,540
Processing fees	2,353	3,874	2,186	1,249	673	1,012	11,347	1,576	641	2,217	13,564
Depreciation and amortization								19,697		19,697	19,697
Total expenses	\$ 4,917,598	\$ 3,827,003	\$ 3,279,384	\$ 1,720,944	\$ 1,051,878	\$ 852,278	\$ 15,649,085	\$ 887,793	\$ 25,586	\$ 913,379	\$ 16,562,464

AIDS VACCINE ADVOCACY COALITION

Statement of Cash Flows Year Ended December 31, 2018

Cash flows from operating activities:

Change in net assets	\$ 5,904,883
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	19,697
Changes in:	
Grants, contributions, and other receivables	(9,079,266)
Prepaid expenses and other assets	10,454
Accounts payable and accrued expenses	97,920
Grants payable	451,185
Deferred revenue	7,636
Deferred rent liability	<u>(10,000)</u>
Net cash used in operating activities	<u>(2,597,491)</u>
Net decrease in cash and cash equivalents	(2,597,491)
Cash and cash equivalents, beginning of year	<u>8,066,902</u>
Cash and cash equivalents, end of year	<u>\$ 5,469,411</u>
Supplemental disclosure of cash flow information:	
In-kind donated goods and services	<u>\$ 26,425</u>

AIDS Vaccine Advocacy Coalition

Notes to Financial Statements December 31, 2018

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Organization:

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

- DELIVER proven HIV prevention options for immediate impact.
- DEMONSTRATE and roll out new HIV prevention options.
- DEVELOP long-term solutions needed to end the epidemic.

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

[2] Basis of accounting:

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

[3] Use of estimates:

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

[4] Cash and cash equivalents:

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

[5] Property and equipment:

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

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

AIDS Vaccine Advocacy Coalition

Notes to Financial Statements December 31, 2018

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

[6] Website and software costs:

Website and software cost related to data consulting services, site configuration and infrastructure, conceptual designed and purchase of software upgrades that results in additional functionality are capitalized. Costs relating to operation and content are expenses as incurred. Capitalized costs are amortized over a three-year expected life using the straight-line method. At December 31, 2018 capitalized website costs were fully amortized.

[7] Accrued vacation:

Accrued vacation represents AVAC's obligation for the cost of unused employee vacation time payable in the event that all employees left AVAC. As of December 31, 2018, the accrued vacation obligation was approximately \$186,000, and was reported as part of accounts payable and accrued expenses in the accompanying statement of financial position.

[8] Grants payable:

Grants are recognized as an obligation to AVAC at the time they are approved. Grants are generally paid within one year of approval or in the case of multi-year grants, payments are made based on the scheduled milestones that coincide with the satisfactory progression of the project. Grants approved, but unpaid, were approximately \$4,220,000 at December 31, 2018, and are reported as liabilities in the accompanying statement of financial position.

[9] Deferred rent obligation:

Rent expense is recognized using the straight-line method over the term of the lease. The difference between rent expense incurred and the rental amounts actually paid, which is attributable to scheduled rent increases and a rent abatement, is reported as a deferred rent obligation in the statement of financial position.

[10] Net assets:

(i) Net assets without donor restrictions:

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

(ii) Net assets with donor restrictions:

Net assets with donor restrictions represent those resources that are subject to donor imposed restrictions, such as specific purposes and/or the passage of time. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as "net assets released from restrictions." It is AVAC's policy to report contributions subject to donor restrictions, which are received and expended in the same year of donation, as net-assets without donor restrictions.

AIDS Vaccine Advocacy Coalition

Notes to Financial Statements December 31, 2018

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

[11] Revenue recognition:

(i) *Contribution and grants:*

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

Revenue from cost-reimbursement government grants are recognized when reimbursable expenses are incurred under the terms of the grants. Contracts and grants received in advance are deferred until the related expenses are incurred. Performance-based grants are recognized as milestones are achieved.

(ii) *Donated goods and services:*

For recognition of donated goods and services in AVAC's financial statements, such goods or services must: (i) create or enhance non-financial assets and (ii) typically need to be acquired if not provided by donation. Additionally, recognition of donated services must: (i) require a specialized skill, and (ii) be provided by individuals possessing these skills. Donated goods and services are recorded at their estimated fair values at the dates of donation and are reported without donor restriction unless the donor has restricted any donated assets to specific purposes. Donated goods and services are reported as both contributions and offsetting expenses in the statement of activities. At year-end, AVAC received donated goods related to travel and software equipment with a fair value of \$26,425.

[12] Functional allocation of expenses:

The cost of providing AVAC's various programs and supporting services have been summarized on a functional basis in the statement of activities. The statement of functional expenses present expenses by functional and natural classification. Accordingly, direct costs have been functionalized within program and supporting services based on the nature of the expense. Indirect costs are allocated in accordance with negotiated indirect cost agreements.

[13] Income tax uncertainties:

AVAC is subject to the provisions of the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. For AVAC, these provisions could be applicable to the incurrence of unrelated business income tax ("UBIT"), attributable to the disallowed transportation fringe benefits. Nonetheless because of AVAC's general tax-exempt status, management believes ASC Topic 740 has not had, and is not expected to have, a material impact on AVAC's financial statements.

AIDS Vaccine Advocacy Coalition

Notes to Financial Statements December 31, 2018

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

[14] Adoption of accounting pronouncement:

In August 2016, the FASB issued Accounting Standards Update ("ASU") No. 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 amends financial-statement presentations and disclosures. ASU 2016-14 includes qualitative and quantitative requirements in the following areas: (i) net asset classifications, (ii) investment returns, (iii) expense categorizations, and (iv) liquidity and the availability of resources. ASU 2016-14 was effective for annual reporting periods issued for years beginning after December 15, 2017. Accordingly, AVAC was required to adopt ASU 2016-14 for its year-ended December 31, 2018, which under U.S. GAAP was a change in accounting principle requiring retroactive application in the financial statements of certain areas, whereas certain other areas were adopted on a prospective basis. Although AVAC's adoption of ASU 2016-14 had no effect on AVAC's total net assets or its changes in net assets for 2018, certain reclassifications were required. Accordingly, AVAC changed its presentation of its net asset classes, and expanded certain footnote disclosure.

[15] Restatement:

During the year, AVAC changed its accounting policy over recognition of conditional revenues in accordance with U.S. GAAP. As a result, the net asset balances with donor restrictions and without donor restrictions were restated effective January 1, 2018.

The following table summarizes the effects of the restatement on AVAC's net assets:

	Net Asset Without Donor Restrictions As of January 1, 2018	Net Asset With Donor Restrictions As of January 1, 2018	Total Net Asset As of January 1, 2018
As previously stated	\$ 847,708	\$ 7,035,544	\$ 7,883,252
Effect of restatement	<u>(384,980)</u>	<u>(2,792,830)</u>	<u>(3,177,810)</u>
As restated	<u>\$ 462,728</u>	<u>\$ 4,242,714</u>	<u>\$ 4,705,442</u>

[16] Subsequent events:

AVAC evaluated subsequent events through July 8, 2019, the date on which the financial statements were available to be issued.

AIDS Vaccine Advocacy Coalition

Notes to Financial Statements December 31, 2018

NOTE B - RECEIVABLES

At year-end, grants, contributions, and other receivables, which are due within one year, consisted of the following:

Due in less than one year:	
United States Agency for International Development	\$ 223,998
Bill and Melinda Gates Foundation	3,300,000
Other contributions	4,102
Other receivables	<u>24,354</u>
	3,552,454
Due in one to five years:	
Bill and Melinda Gates Foundation	<u>6,600,000</u>
	10,152,454
Reduction of contributions due in excess of one year to present value, at a discount rate of 2.5%	<u>(394,634)</u>
	<u>\$ 9,757,820</u>

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

NOTE C - CONDITIONAL FUNDING

During 2015, AVAC received a commitment of funding of approximately \$2 million over five years from FHI 360, the United States Agency for International Development ("USAID") funded Optimizing Prevention Technology Introduction ON Schedule Consortium (OPTIONS), which AVAC co-leads with FHI 360 and Wits RHI. Based on overall funding from USAID, FHI 360 then obligates funding on an annual basis. The annual funding is conditional on AVAC submission and FHI 360 and USAID approvals of an annual workplan and budget. As of December 31, 2018, AVAC has received approximately \$1.5 million. The balance of the funding will be recorded as revenue as AVAC meets the conditions of the agreement.

During 2016, AVAC received a commitment of funding (in the form of a Cooperative Agreement) of approximately \$20 million over five years from USAID for the AVAC-led Coalition to Accelerate and Support Prevention Research ("CASPR"). USAID makes annual obligations under this Cooperative Agreement. The funding is conditional upon AVAC submission and USAID approval of a project workplan and budget. As of December 31, 2018, AVAC has received approximately \$8 million. The balance of the funding will be recorded as revenue as AVAC meets the conditions of the Cooperative Agreement.

During 2016, AVAC received a commitment of funding of approximately \$24 million from the Bill and Melinda Gates Foundation (the "Gates Foundation") to be paid over a five-year period. The grant is in relation to Market Manager for HIV Prevention (to support various charitable purposes for product delivery of HIV prevention). The funding is conditional upon AVAC meeting certain milestone provisions prior to receiving the next payment. As of December 31, 2018, AVAC has received approximately \$ 15 million of the total committed funding with a balance of approximately \$9 million remaining. The balance of the funding will be recorded as revenues as AVAC meets the conditions of the grant.

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

AIDS Vaccine Advocacy Coalition

Notes to Financial Statements December 31, 2018

NOTE C - CONDITIONAL FUNDING (CONTINUED)

During 2018, AVAC received an additional commitment of funding of approximately \$13.2 million from the Gates Foundation to be used for general operating support to advance HIV prevention. Approximately \$3 million of the grant was received during the year. The remainder of the grant will be paid over a three-year period.

NOTE D - PROPERTY AND EQUIPMENT

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

Furniture and fixtures	\$ 6,033
Leasehold improvements	39,159
Computer equipment	<u>122,292</u>
	167,484
Less: accumulated depreciation and amortization	<u>(148,867)</u>
	<u>\$ 18,617</u>

NOTE E - NET ASSETS WITH DONOR RESTRICTIONS

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

Purpose restricted:	
Market manager for HIV program	\$ 1,051,815
COMPASS Africa	484,141
Other programs	<u>6,295</u>
	1,542,251
Restricted for time	
*Bill and Melinda Gates Foundation	<u>9,505,366</u>
	<u>\$ 11,047,617</u>

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

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

Market manager for HIV program	\$ 5,453,831
COMPASS Africa	2,217,536
Other programs	<u>970,316</u>
	<u>\$ 8,641,683</u>

NOTE F - PENSION PLAN

AVAC maintains a defined-contribution plan, established under Section 401(k) of the Code which covers all full-time employees. Participants can make elective contributions subject to certain limitations. AVAC makes 100% match on the first 3% of compensation deferred plus 50% match on the next 2% of compensation deferred. AVAC contributed approximately \$103,000 to the plan during the year.

AIDS Vaccine Advocacy Coalition

Notes to Financial Statements December 31, 2018

NOTE G - BANK LINE OF CREDIT

In September 2016, AVAC established a line of credit with Amalgamated Bank in the amount of \$600,000, which is collateralized by the general assets of AVAC, bearing interest not to exceed the rate of the greater of 4.5% or the Bank's base rate, plus 1.25% per annum. There were no draw downs on this line of credit during 2018. The line of credit has been renewed through September 2019.

NOTE H - CONCENTRATION OF REVENUE

During 2018, AVAC received grants and contributions from two major donors that represented approximately 99% of total support and revenues received during the year.

NOTE I - CONCENTRATION OF CREDIT RISK

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

NOTE J - COMMITMENTS AND CONTINGENCIES

[1] Leases:

AVAC entered into an operating lease agreement for office space with an unrelated party that expires in March 2021. AVAC is also obligated under various non-cancelable operating leases for equipment that expires in 2022. Rent expense related to the office space for the year was approximately \$187,000.

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

<u>Year</u>	<u>Amount</u>
2019	\$ 196,900
2020	196,600
2021	54,600
2022	<u>750</u>
	<u>\$ 448,850</u>

AVAC executed an addendum to the lease agreement in March 2017, with their landlord to use a meeting space requiring monthly payments of \$3,125. The agreement expires April 30, 2021 and can be terminated by the landlord at any time.

[2] Government funding:

Government-funded activities are subject to audit by the applicable granting agencies. For the year ended December 31, 2018, there were no material obligations outstanding as a result of such audits. Management believes that no material obligations will result from any future audits of such activities.

[3] Other contracts:

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

AIDS Vaccine Advocacy Coalition

Notes to Financial Statements December 31, 2018

NOTE K - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects AVAC's financial assets as of the statement of financial position date, reduced by amounts not available for general use within one year of December 31, 2018 because of contractual or donor-imposed restrictions.

Cash and cash equivalents	\$ 5,469,411
Grants, contributions, and other receivables	<u>9,757,820</u>
Total financial assets available within one year	<u>15,227,231</u>
Less:	
Amounts unavailable for general expenditures within one year, due to:	
Restrictions for the passage of time	(9,505,366)
Restrictions by donors with purpose restrictions	<u>(1,542,251)</u>
Total amounts unavailable for general expenditure within one year	<u>(11,047,617)</u>
Total financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,179,614</u>

Liquidity policy:

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