

**AUDIT REPORT ON THE  
CONSOLIDATED FINANCIAL STATEMENTS**

**INTERNATIONAL AIDS  
VACCINE INITIATIVE, INC.**

**FOR THE YEAR ENDED DECEMBER 31, 2023  
WITH SUMMARIZED FINANCIAL  
INFORMATION FOR 2022**

# INTERNATIONAL AIDS VACCINE INITIATIVE, INC.

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**CPAs & ADVISORS**

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
International AIDS Vaccine Initiative, Inc.  
New York, New York

### **Opinion**

We have audited the accompanying consolidated financial statements of the International AIDS Vaccine Initiative, Inc. (IAVI), which comprise the consolidated statement of financial position as of December 31, 2023, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the year then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of IAVI as of December 31, 2023, and the consolidated change 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.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of IAVI and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of the consolidated 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 the consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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## **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, 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 consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 IAVI'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 consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about IAVI'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.

## **Report on Summarized Comparative Information**

We have previously audited IAVI's 2022 consolidated financial statements, and we expressed an unmodified audit opinion on those audited consolidated financial statements in our report dated June 9, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, is consistent, in all material respects, with the audited consolidated financial statements from which it has been derived.

## **Supplementary Information**

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The Consolidating Schedule of Financial Position on page 20 and the Consolidating Schedule of Activities and Change in Net Assets on pages 21 - 23 are presented for purposes of additional analysis and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2024, on our consideration of IAVI's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of IAVI's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering IAVI's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Gelman Rosenberg & Freedman".

July 10, 2024

**INTERNATIONAL AIDS VACCINE INITIATIVE, INC.**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2023**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

**ASSETS**

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 36,320,512	\$ 29,995,153
Investments	33,407,409	31,756,089
Grants receivable, net	49,081,682	56,146,746
Security deposits and other assets	967,026	1,287,836
Right-of-use assets, net	8,309,866	11,178,951
Property, equipment and leasehold improvements, net of accumulated depreciation and amortization of \$46,813,481	<u>931,015</u>	<u>2,258,555</u>
<b>TOTAL ASSETS</b>	<b>\$ <u>129,017,510</u></b>	<b>\$ <u>132,623,330</u></b>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts payable and accrued liabilities	\$ 10,316,585	\$ 8,120,396
Awards and contracts payable	11,791,569	13,922,497
Refundable advances	28,968,880	27,472,390
Deferred grant revenue	-	490,000
Deferred compensation payable	381,326	295,015
Operating lease liabilities, net	<u>9,757,974</u>	<u>12,776,438</u>
Total liabilities	<u>61,216,334</u>	<u>63,076,736</u>

**NET ASSETS**

Without donor restrictions:		
Board designated	32,633,301	34,130,048
With donor restrictions	<u>35,167,875</u>	<u>35,416,546</u>
Total net assets	<u>67,801,176</u>	<u>69,546,594</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ <u>129,017,510</u></b>	<b>\$ <u>132,623,330</u></b>

## INTERNATIONAL AIDS VACCINE INITIATIVE, INC.

**CONSOLIDATED STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023  
WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023			2022
	Without Donor Restrictions	With Donor Restrictions	Total	Total
<b>REVENUE AND SUPPORT</b>				
Grants and contributions	\$ 115,661,072	\$ 10,832,127	\$ 126,493,199	\$ 146,535,933
Net investment return	2,635,940	-	2,635,940	(117,520)
Other income	414,215	-	414,215	403,875
Net assets released from donor restrictions	<u>11,877,237</u>	<u>(11,877,237)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>130,588,464</u>	<u>(1,045,110)</u>	<u>129,543,354</u>	<u>146,822,288</u>
<b>EXPENSES</b>				
Program Services:				
Research and Development	113,415,867	-	113,415,867	115,083,672
Vaccine Advocacy, Public Affairs and Policy	<u>2,612,829</u>	<u>-</u>	<u>2,612,829</u>	<u>1,899,585</u>
Total program services	<u>116,028,696</u>	<u>-</u>	<u>116,028,696</u>	<u>116,983,257</u>
Supporting Services:				
General and Administrative	14,682,662	-	14,682,662	14,083,807
Fundraising	<u>639,917</u>	<u>-</u>	<u>639,917</u>	<u>1,168,574</u>
Total supporting services	<u>15,322,579</u>	<u>-</u>	<u>15,322,579</u>	<u>15,252,381</u>
Total expenses	<u>131,351,275</u>	<u>-</u>	<u>131,351,275</u>	<u>132,235,638</u>
Change in net assets before other items	(762,811)	(1,045,110)	(1,807,921)	14,586,650
<b>OTHER ITEMS - NON-OPERATING</b>				
Currency translation adjustment	(20,459)	4,423	(16,036)	(41,822)
Foreign exchange gain (loss)	286,523	792,016	1,078,539	(822,427)
Provision for Human Immunology Laboratory (HIL) closure	<u>(1,000,000)</u>	<u>-</u>	<u>(1,000,000)</u>	<u>-</u>
Change in net assets	(1,496,747)	(248,671)	(1,745,418)	13,722,401
Net assets at beginning of year	<u>34,130,048</u>	<u>35,416,546</u>	<u>69,546,594</u>	<u>55,824,193</u>
<b>NET ASSETS AT END OF YEAR</b>	<b><u>\$ 32,633,301</u></b>	<b><u>\$ 35,167,875</u></b>	<b><u>\$ 67,801,176</u></b>	<b><u>\$ 69,546,594</u></b>

**INTERNATIONAL AIDS VACCINE INITIATIVE, INC.**  
**CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	2023						2022	
	Program Services			Supporting Services			Total Expenses	Total Expenses
	Research and Development	Vaccine Advocacy, Public Affairs and Policy	Total Program Services	General and Administrative	Fundraising	Total Supporting Services		
Awards and contracts	\$ 60,452,255	\$ 108,195	\$ 60,560,450	\$ 2,701	\$ -	\$ 2,701	\$ 60,563,151	\$ 69,242,789
Salaries, wages and benefits	40,334,635	1,804,642	42,139,277	10,937,734	332,068	11,269,802	53,409,079	47,814,026
Travel and workshops	2,514,317	169,319	2,683,636	344,744	9,716	354,460	3,038,096	1,998,553
Professional services	764,558	214,536	979,094	1,726,945	285,000	2,011,945	2,991,039	2,906,497
Infrastructure fixed operating expenses	5,641,622	136,004	5,777,626	625,263	-	625,263	6,402,889	5,628,050
Information technology	1,212,696	91,376	1,304,072	564,723	-	564,723	1,868,795	1,548,483
Consumable/variable operating expenses	606,156	28,541	634,697	208,162	13,133	221,295	855,992	798,086
Insurance	299,750	27,881	327,631	109,242	-	109,242	436,873	433,026
Finance charges	62,071	6,022	68,093	11,867	-	11,867	79,960	104,104
Other	82,088	1,590	83,678	74,570	-	74,570	158,248	46,463
Depreciation and amortization	1,445,719	24,723	1,470,442	76,711	-	76,711	1,547,153	1,715,561
<b>TOTAL</b>	<b>\$ 113,415,867</b>	<b>\$ 2,612,829</b>	<b>\$ 116,028,696</b>	<b>\$ 14,682,662</b>	<b>\$ 639,917</b>	<b>\$ 15,322,579</b>	<b>\$ 131,351,275</b>	<b>\$ 132,235,638</b>

See accompanying notes to consolidated financial statements.



## INTERNATIONAL AIDS VACCINE INITIATIVE, INC.

**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2023**  
**WITH SUMMARIZED FINANCIAL INFORMATION FOR 2022**

	<b>2023</b>	<b>2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (1,745,418)	\$ 13,722,401
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	1,547,153	1,715,561
Net realized and unrealized loss	533,936	782,899
Change in discount on long-term receivables	100,092	2,030,400
Loss on disposal of property and equipment	6,740	-
Amortization of right-of-use asset	2,869,085	2,801,791
Decrease (increase) in:		
Grants receivable	6,964,972	(20,797,719)
Security deposits and other assets	320,810	(656,761)
Increase (decrease) in:		
Accounts payable and accrued liabilities	2,196,189	62,959
Awards and contracts payable	(2,130,928)	3,471,104
Refundable advances	1,496,490	(5,243,592)
Deferred grant revenue	(490,000)	(2,310,000)
Deferred compensation payable	86,311	(757,031)
Operating lease liabilities	<u>(3,018,464)</u>	<u>(2,780,920)</u>
Net cash provided (used) by operating activities	<u>8,736,968</u>	<u>(7,958,908)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of property and equipment	(226,353)	(80,487)
Net (purchases) sales of investments	<u>(2,185,256)</u>	<u>194,217</u>
Net cash (used) provided by investing activities	<u>(2,411,609)</u>	<u>113,730</u>
Net increase (decrease) in cash and cash equivalents	6,325,359	(7,845,178)
Cash and cash equivalents at beginning of year	<u>29,995,153</u>	<u>37,840,331</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b><u>\$ 36,320,512</u></b>	<b><u>\$ 29,995,153</u></b>
<b>SCHEDULE OF NONCASH OPERATING TRANSACTIONS:</b>		
<b>Right-of-Use Assets</b>	<b><u>\$ -</u></b>	<b><u>\$ 13,980,742</u></b>
<b>Operating Lease Liabilities</b>	<b><u>\$ -</u></b>	<b><u>\$ 15,238,384</u></b>

## INTERNATIONAL AIDS VACCINE INITIATIVE, INC.

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS DECEMBER 31, 2023

#### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION

##### Organization -

The accompanying consolidated financial statements include the accounts of the International AIDS Vaccine Initiative, Inc.; Stichting International AIDS Vaccine Initiative, the Netherlands (the Stichting); IAVI South Africa NPC (IAVI-SA); IAVI India; IAVI Africa Limited; and IAVI Lab LLC (collectively, IAVI). IAVI is a nonprofit scientific research organization dedicated to addressing urgent, unmet global health challenges including HIV and tuberculosis. IAVI's mission is to translate scientific discoveries into affordable, globally accessible public health solutions. IAVI has four global hubs (U.S., India, Africa, Europe) and offices, labs, and staff in seven countries. The main office of the U.S. hub is located in New York City.

IAVI focuses on two major areas of activity:

1. Through scientific and clinical research in Africa, India, Europe, and the U.S., IAVI develops vaccines and antibodies in and for the developing world and seeks to accelerate their introduction in low-income countries. IAVI advances scientific discovery and development by fostering unique collaborations among academia, industry, local communities, governments, and funders to explore new and better ways to address public health threats that disproportionately affect people living in poverty. IAVI also supports external researchers by providing technical and scientific expertise to accelerate the development of their own products.
2. IAVI works with policy makers, advocates, and representatives of the communities where disease burden is greatest to support scientific research and development for accessible biomedical preventives and treatments.

##### Basis for consolidation -

The accompanying consolidated financial statements include the financial activity of the International AIDS Vaccine Initiative, Inc.; the Stichting; IAVI India; IAVI Africa Limited; IAVI Lab LLC; and IAVI-SA, based upon the fact that all of the aforementioned entities are under common control. All entities are subject to International AIDS Vaccine Initiative, Inc. oversight, work within International AIDS Vaccine Initiative, Inc. strategy, and are funded in part by International AIDS Vaccine Initiative, Inc. Consolidation is required if a separate not-for-profit organization has control (i.e., major voting interest) and significant economic interest in that other organization. All significant intercompany transactions between the International AIDS Vaccine Initiative, Inc. and the related entities have been eliminated in consolidation.

##### Basis of presentation -

The accompanying consolidated financial statements are presented on the accrual basis of accounting, and in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) related to nonprofit entities. As such, net assets are reported within two net asset classifications: without donor restrictions and with donor restrictions.

Descriptions of the two net asset categories are as follows:

- **Net Assets without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions are recorded as "net assets without donor restrictions". Net assets set aside solely through the actions of the Board are referred to as Board Designated and are also reported as net assets without donor restrictions.

INTERNATIONAL AIDS VACCINE INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**  
(Continued)

Basis of presentation (continued) -

- **Net Assets with Donor Restrictions** - Net assets may be subject to donor-imposed stipulations that are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Donor imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both. Other donor imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

The consolidated financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with IAVI's consolidated financial statements for the year ended December 31, 2022, from which the summarized information was derived.

Cash and cash equivalents -

IAVI considers all cash and other highly liquid investments with initial maturities of three months or less, other than those that are restricted as to use or held as part of long-term investments, to be cash equivalents. Bank deposit accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to a limit of \$250,000. At times during the year, IAVI maintains cash balances in excess of the FDIC insurance limits. Management believes the risk in these situations to be minimal.

IAVI also maintains cash balances at financial institutions in foreign countries. At times during the year, IAVI maintains balances in excess of financial institution insurance limits in these foreign countries. Management believes the risk in these situations to be minimal.

Investments -

Investments are recorded at their readily determinable fair value. Marketable securities acquired by donation are recorded at their readily determinable fair value on the date of receipt. Interest, dividends, realized and unrealized gains and losses are included in net investment return, which is presented net of investment fees paid to external investment advisors, in the accompanying Consolidated Statement of Activities and Change in Net Assets.

Grants receivable -

Grants receivable include unconditional promises to give that are expected to be collected in future years. Grants receivable are recorded at their fair value, which is measured as the present value of the future cash flows. The discount on long-term grants receivable is computed using the risk-adjusted interest rates applicable to the years in which the promises to give were received. Amortization of the discount is included in grants and contributions.

Property, equipment and leasehold improvements -

Property and equipment in excess of \$5,000 are capitalized and stated at cost. Property and equipment are depreciated on a straight-line basis over the estimated useful lives of the related assets, generally three to five years.

**INTERNATIONAL AIDS VACCINE INITIATIVE, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Property, equipment and leasehold improvements (continued) -

Leasehold improvements in excess of \$5,000 are capitalized and amortized over the lesser of the useful life of the asset or the remaining life term of the lease. The cost of maintenance and repairs is recorded as expenses are incurred.

Income taxes -

The International AIDS Vaccine Initiative, Inc. has been granted tax-exempt status under Internal Revenue Code Section 501(c)(3) as well as Internal Revenue Code Section 501(a). The International AIDS Vaccine Initiative, Inc. is also exempt from state and local income taxes and is not a private foundation.

IAVI Global Impact LLC was formed in 2023. IAVI Global Impact LLC is subject to annual filings. There was no activity in this entity during the year ended December 31, 2023.

The Stichting is a separate foundation based in the Netherlands that has been granted exemption from tax on both income and gifts.

IAVI Lab, LLC is a limited liability corporation; however, due to the fact that the International AIDS Vaccine Initiative, Inc. is the sole member of the limited liability corporation, IAVI Lab, LLC is considered to be a disregarded entity for tax reporting purposes and all financial transactions of IAVI Lab, LLC are reported on the International AIDS Vaccine Initiative, Inc.'s Federal Form 990.

IAVI India is incorporated under Section 25 of the Companies Act, 1956 (Now Section 8 of The Companies Act, 2013) as a not-for-profit company. It is limited by shares. IAVI India is income tax exempt under Section 12 AA of the Income Tax Act, 1961.

IAVI-SA was created in 2008 in South Africa as a not-for-profit corporation organized under the laws of the Republic of South Africa. Located in Cape Town, IAVI-SA conducts TB vaccine clinical trials, fundraising and advocacy in South Africa. IAVI-SA is a separately incorporated entity under Section 21 of the Companies Act of 1973 and files an annual income tax form IT12EI as required of tax exempt organizations in South Africa.

IAVI Africa Limited (f/k/a, IAVI Kenya Limited) was formed in 2022 as a limited by guarantee company incorporated under the laws of Kenya. The name of the company was changed from 'IAVI Kenya Limited' to 'IAVI Africa Limited' in 2023. IAVI Africa is subject to the annual filing requirements set forth in the Companies Act, 2015.

Based upon the tax-exempt status of the International AIDS Vaccine Initiative, Inc., IAVI India, the Stichting, LLC, IAVI-SA and IAVI Africa Limited, no provision for income taxes has been made in the accompanying consolidated financial statements.

Revenue recognition for grants and contributions -

IAVI receives grants and contributions, including Federal awards from the U.S. Government. Contributions are recognized in the appropriate category of net assets in the period received. IAVI performs an analysis of the individual contribution agreement to determine if the funding stream follows the contribution rules or if it should be recorded as an exchange transaction depending upon whether the transaction is deemed reciprocal or nonreciprocal in accordance with ASC Topic 958.

**INTERNATIONAL AIDS VACCINE INITIATIVE, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION  
(Continued)**

Revenue recognition for grants and contributions (continued) -

For grants qualifying under the contribution rules, support is recognized upon notification of the award and satisfaction of all conditions, if applicable. Conditional promises to give are not recognized until the conditions on which they depend are substantially met. Contributions, including grants qualifying as contributions, that are unconditional but have donor restrictions are recognized as "without donor restrictions" only to the extent of actual expenses incurred in compliance with the donor-imposed restrictions and satisfaction of time restrictions.

Contributions with donor restrictions either in excess of expenses incurred or with time restrictions are shown as net assets with donor restrictions in the accompanying consolidated financial statements. Contributions that are both received and released from restrictions in the same year are classified as "without donor restrictions".

Conditional contributions contain a right of return and a measurable barrier. Contributions are recognized when conditions have been satisfied. Most Federal grants are for direct and indirect program costs and are considered to be conditional contributions which are recognized as contributions when the amounts become unconditional. Conditional contributions received in advance of meeting specified conditions established by donors are recorded as refundable advances. IAVI's refundable advances totaled \$28,968,880 as of December 31, 2023.

Funding from U.S. Government agencies and foreign government agencies accounted for a combined 46% of total grants and contributions revenue for 2023.

Grants receivable represent amounts due from unconditional promises to give, and from amounts due from donors for which reimbursable expenses have been incurred, but not paid, in accordance with the terms of certain grant agreements.

All grants receivable at December 31, 2023, excluding one grant from the Ministry of Foreign Affairs of the Netherlands, two grants from Wellcome Trust, and one grant from KfW are expected to be received within the next year unless otherwise stipulated by the donors.

At December 31, 2023, grants from U.S. Government agencies and foreign government agencies represented approximately 24% and 67% of grants receivable, respectively.

As of December 31, 2023, the following funds are included in grants receivable in the accompanying Consolidated Statement of Financial Position:

- \$18,214,208 (EUR 17,010,000) from the Ministry of Foreign Affairs of the Netherlands.
- \$1,438,370 (DKK 10,000,000) from the Ministry of Foreign Affairs of the Denmark.

For the year ended December 31, 2023, in addition to significant funds received from the U.S. Government and certain private foundations, IAVI received the following funds to support IAVI's activities:

- \$2,241,183 (EUR 1,995,000) from the Ministry of Foreign Affairs of the Netherlands for the grant that started on July 18, 2023.
- \$17,620,845 from the Coalition for Epidemic Preparedness Innovations (CEPI).

INTERNATIONAL AIDS VACCINE INITIATIVE, INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND GENERAL INFORMATION**  
(Continued)

Foreign currency translation and transactions -

Realized and unrealized gains and losses resulting from transactions denominated in currencies other than the U.S. Dollar, which is the functional currency of IAVI, are reported as an other item in the accompanying Consolidated Statement of Activities and Change in Net Assets. Additionally, all assets and liabilities denominated in foreign currencies are re-valued to U.S. Dollars using the appropriate December 31st exchange rates.

Use of estimates -

The preparation of the consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

Functional allocation of expenses -

The costs of providing the various programs and other activities have been summarized on a functional basis in the Consolidated Statement of Activities and Change in Net Assets. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses are allocated on a basis of time and effort (such as salaries, payroll taxes and related benefits) as well as head count (such as occupancy, IT, depreciation and other general operating costs).

Investment risks and uncertainties -

IAVI invests in various investment securities. Investment securities are exposed to various risks such as interest rates, market and credit risks.

Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying consolidated financial statement.

2. **INVESTMENTS AND FAIR VALUE MEASUREMENTS**

In accordance with FASB ASC 820, *Fair Value Measurement*, IAVI has categorized its financial instruments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Investments recorded in the Consolidated Statement of Financial Position are categorized based on the inputs to valuation techniques as follows:

**Level 1.** These are investments where values are based on unadjusted quoted prices for identical assets in an active market IAVI has the ability to access.

**INTERNATIONAL AIDS VACCINE INITIATIVE, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**2. INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)**

**Level 2.** These are investments where values are based on quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, or model-based valuation techniques that utilize inputs that are observable either directly or indirectly for substantially the full-term of the investments.

**Level 3.** These are investments where inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Following is a description of the valuation methodology used for investments measured at fair value. There have been no changes in the methodologies used and there were no transfers between levels in the fair value hierarchy during the year ended December 31, 2023.

- *Fixed Income Securities/Bonds* - Fair value is based upon current yields available on comparable securities of issuers with similar ratings, the security's terms and conditions, and interest rate and credit risk.
- *Mutual Funds* - Valued at the daily closing price as reported by the fund. Mutual funds held by IAVI are open-end mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value and to transact at that price. Mutual funds held by IAVI are deemed to be actively traded.

The table below summarizes investments, which are measured at fair value on a recurring basis, by level within the fair value hierarchy as of December 31, 2023.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>Investments:</b>				
Fixed Income Securities/Bonds	\$ -	\$ 33,026,083	\$ -	\$ 33,026,083
<b>Deferred Compensation Investments:</b>				
Mutual Funds	381,326	-	-	381,326
<b>TOTAL</b>	<b>\$ 381,326</b>	<b>\$ 33,026,083</b>	<b>\$ -</b>	<b>\$ 33,407,409</b>

Net investment return consisted of the following for the year ended December 31, 2023:

Interest and dividends	\$ 3,259,094
Net realized and unrealized loss	(533,936)
Investment fees and commissions	(89,218)
<b>NET INVESTMENT RETURN</b>	<b>\$ 2,635,940</b>

**3. GRANTS RECEIVABLE, NET**

As of December 31, 2023, IAVI has written grant commitments from various donors, including the U.S. Government, foreign governments and private foundations, totaling \$51,212,174. Amounts due beyond one year of the Consolidated Statement of Financial Position date have been recorded at the present value of the estimated cash flows, using a discount rate ranging from 3% to 5%.

**INTERNATIONAL AIDS VACCINE INITIATIVE, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**3. GRANTS RECEIVABLE, NET (Continued)**

Following is a summary, by year, of the anticipated payments to be received against the grants receivable as of December 31, 2023:

Less than one year	\$ 25,805,903
One to five years	<u>25,406,271</u>
Total grants receivable	51,212,174
Less: Allowance to discount balance to present value	<u>(2,130,492)</u>
<b>NET GRANTS RECEIVABLE</b>	<b><u>\$ 49,081,682</u></b>

**4. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS, NET**

Property, equipment and leasehold improvements consisted of the following at December 31, 2023:

Property and equipment	\$ 27,647,504
Leasehold improvements	<u>20,096,992</u>
Total property, equipment and leasehold improvements	47,744,496
Less: Accumulated depreciation and amortization	<u>(46,813,481)</u>
<b>NET PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS</b>	<b><u>\$ 931,015</u></b>

Depreciation and amortization expense for the year ended December 31, 2023 totaled \$1,547,153.

**5. LEASE COMMITMENTS**

IAVI follows FASB ASC 842 for leases. IAVI has elected the practical expedient that allows lessees to choose to not separate lease and non-lease components by class of underlying asset and is applying this expedient to all relevant asset classes. IAVI has also elected to use a risk-free rate as the lease discount rate for all leases as allowed under FASB ASC 842.

IAVI leases its office space and certain office equipment under non-cancelable operating lease agreements. In October 2010, IAVI entered into a lease agreement for office space in New York City. The lease term commenced in 2011 and has a 15-year term. IAVI has the right to renew the lease for an additional five years after the first 15 years is completed. The lease calls for escalation charges over the lease term.

In June 2007, IAVI entered into a lease agreement at the Brooklyn Army Terminal for laboratory and office space. This lease term commenced on November 1, 2008 and had a 15-year term. The lease also included a 10-month, rent free period, and called for escalation charges over the lease term. The lease contract expired on October 31, 2023. Since the expiration of the lease, IAVI has continued on a month-to-month term that will continue until the new lab space in Jersey City, NJ (as noted below) is available to move in.

On August 24, 2023, IAVI entered into an agreement to lease a new lab space in Jersey City, NJ that would have IAVI moving from the Brooklyn Army Terminal space. This lease term is expected to commence upon completion of the buildout, on or around December 2024, and has a 190-month term. This lease also includes a 10-month, rent free period, and calls for escalation charges over the lease term. As of December 31, 2023, IAVI has additional operating and finance leases that have not yet commenced of \$38,451,502. These operating and finance leases will commence between fiscal year 2024 and fiscal year 2025, with lease terms of 1 to 15 years.



**INTERNATIONAL AIDS VACCINE INITIATIVE, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**5. LEASE COMMITMENTS (Continued)**

In October 2023, IAVI entered into a lease agreement for a space located in San Diego, California. The lease assignment terms commenced on October 11, 2023 and has a remaining term of 35 months.

IAVI HIL's lease on space at Chelsea & Westminster Hospital ends on June, 30, 2024. IAVI accrued \$1,000,000 to cover the closeout cost. This is included in accounts payable and accrued liabilities in the accompanying Consolidated Statement of Financial Position.

IAVI also sub-leases lab space under terms that expire on various dates.

For the year ended December 31, 2023, total lease cost was \$4,690,298, net of sublease income of \$290,922 and is included in Infrastructure fixed operating expenses in the Consolidated Statement of Functional Expenses. For the year ended December 31, 2023, total cash paid was \$2,746,544 for all operating leases. As of December 31, 2023, the weighted-average remaining lease term and rate for operating leases is 3 years and 1.453%, respectively.

The following is a schedule of the future minimum lease payments and rental income:

<u>Year Ending December 31,</u>	<u>Total Rental Payments</u>	<u>Rental Income</u>	<u>Net</u>
2024	\$ 3,845,166	\$ (270,227)	\$ 3,574,939
2025	3,246,544	-	3,246,544
2026	<u>2,909,908</u>	<u>-</u>	<u>2,909,908</u>
Total	10,001,618	(270,227)	9,731,391
Less: Imputed interest	<u>(243,644)</u>	<u>-</u>	<u>(243,644)</u>
<b>NET TOTAL</b>	<b><u>\$ 9,757,974</u></b>	<b><u>\$ (270,227)</u></b>	<b><u>\$ 9,487,747</u></b>

**6. NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consisted of the following at December 31, 2023:

**Subject to Expenditure for Specified Purpose:**  
**Research and Development** **\$ 35,167,875**

During 2023, the following net assets with donor restrictions were released from donor restrictions by the passage of time or as a result of IAVI incurring expenses which satisfied the restricted purposes specified by the donors:

**Program Restriction Accomplished:**  
**Research and Development** **\$ 11,877,237**

**7. AVAILABILITY OF FINANCIAL ASSETS (LIQUIDITY)**

The following reflects IAVI's financial assets as of the date of the Consolidated Statement of Financial Position, reduced by amounts not available for general use within one year from the date of the Consolidated Statement of Financial Position because of donor imposed restrictions or internal designations.

**INTERNATIONAL AIDS VACCINE INITIATIVE, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**7. AVAILABILITY OF FINANCIAL ASSETS (LIQUIDITY) (Continued)**

Amounts not available include amounts received with contractual or donor restrictions, grants receivable not expected to be collected within one year, and amounts designated for reserves by the Board of Directors.

An analysis of financial assets available to meet cash needs for supporting service expenses within one year as of December 31, 2023 is as follows:

Cash and cash equivalents	\$ 36,320,512
Investments	33,407,409
Grants receivable	<u>49,081,682</u>
Total financial assets	118,809,603
Less: Board designated funds	(32,633,301)
Less: Funds subject to donor-imposed purpose restrictions	(35,167,875)
Less: Deferred compensation investments	<u>(381,326)</u>
<b>FINANCIAL ASSETS AVAILABLE TO MEET CASH NEEDS FOR GENERAL EXPENDITURES WITHIN ONE YEAR</b>	<b><u>\$ 50,627,101</u></b>

IAVI has a policy to structure its financial assets to be available and liquid as its obligations become due.

In addition, IAVI has a line-of-credit agreement (as further discussed in Note 10) which allows for additional available borrowings up to \$25,000,000. Board designated funds of \$32,633,301 can also be drawn upon if the Board of Directors approves such action. As per IAVI's reserve policy, and with board approval, these funds can be used to mitigate the impact of unbudgeted financial events, pursue opportunities of strategic importance or to purchase capital equipment.

**8. EMPLOYEE BENEFIT PLANS**

In August 2022, IAVI went from one defined contribution retirement plan for employees to two under Sections 401(a) and 403(b) of the Internal Revenue Code (the Code). The 401(a) plan requires payment of between 5% and 9% of salary per employee per year by IAVI. The 403(b) plan allows eligible employees to contribute pre tax dollars from their salaries up to the maximum amount specified by the Code. IAVI matches employee contributions up to 2% per year. IAVI's contributions to retirement plans were \$3,052,299 during the year ended December 31, 2023.

IAVI established a deferred compensation plan (the Plan) under Section 457(b) of the Code. The Plan allows certain eligible management and highly compensated employees to voluntarily defer a portion of compensation. Amounts deferred by Plan participants are held by an outside trustee. The balance on the account is \$381,326 as of December 31, 2023. Such amounts are included in investments and deferred compensation payable in the accompanying Consolidated Statement of Financial Position at December 31, 2023. IAVI does not contribute to the Plan. However, the Plan allows for employer discretionary contributions.

**9. CONCENTRATION OF REVENUE**

Approximately 45% (\$58,800,000) of IAVI's revenue for the year ended December 31, 2023 was derived from grants awarded by agencies of the U.S. Government. IAVI has no reason to believe that its relationships with these agencies will be discontinued in the foreseeable future.

**INTERNATIONAL AIDS VACCINE INITIATIVE, INC.**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
DECEMBER 31, 2023**

**9. CONCENTRATION OF REVENUE (Continued)**

However, any interruption of these relationships (i.e., the failure to renew grant agreements or withholding of funds) would adversely affect IAVI's ability to finance ongoing operations. As of December 31, 2023, the total amount of unrecognized conditional promises to give derived from grants awarded by agencies of the U.S. Government amounted to \$13,637,742.

In addition to funds received from agencies of the U.S. Government, IAVI has received significant conditional promises to give from a private foundation. As of December 31, 2023, the total amount of conditional promises to give from this private foundation amounted to \$52,290,652. The receipt of future funding is conditional upon the private foundation approving IAVI's progress with the program as outlined in the award agreement. Failure by IAVI to fulfill the specified conditions could result in the return of unspent funds or a reduction in the amount of future funding. Revenue recognized during 2023 under awards from this private foundation totaled \$28,048,749.

**10. CONTINGENCIES**

U.S. Government Funding -

IAVI receives grants from various agencies of the U.S. Government. For the year ended December 31, 2023, such grants are subject to audit under the provisions of *Title 2 U.S. Code of Federal Regulations (CFR) Part 200 Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)*.

The ultimate determination of amounts received under the U.S. Government grants is based upon the allowance of costs reported to and accepted by the U.S. Government as a result of the audits. Audits in accordance with the applicable provisions have been completed for all required fiscal years through 2023. Until such audits have been accepted by the U.S. Government, there exists a contingency to refund any amount received in excess of allowable costs. Management is of the opinion that no material liability will result from such audits.

Conditional Contributions -

At December 31, 2023, IAVI has been approved for certain conditional grants from public and private sources. In accordance with U.S. GAAP, such conditional contributions are not recognized as revenue until such time as the related conditions have been met.

These contributions are intended to fund IAVI's operations for a period of between two and four years and are conditioned upon IAVI expending funds for the program purposes specified in the respective proposals submitted to the assorted grantors.

In some instances, for IAVI to receive funds according with the agreements underlying these conditional contributions, IAVI must develop new programs, identify new vaccine development partners and achieve project milestones.

Programs are subject to annual review by the grantors. If IAVI is unable to expend funds in accordance with the program objectives or is unable to meet its program objectives, grantors may discontinue funding.

Total conditional contributions outstanding at December 31, 2023 amounted to \$110,768,786, which includes \$13,637,742 derived from grants awarded by agencies of the U.S. Government and \$52,290,652 from a private foundation (Note 9).

**INTERNATIONAL AIDS VACCINE INITIATIVE, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2023**

**10. CONTINGENCIES (Continued)**

Letter of Credit -

IAVI has an outstanding standby letter of credit of \$398,976, serving as a security deposit under its lease for new office space in New York and an outstanding standby letter of credit of \$1,072,152 serving as a security deposit under its lease for new Lab space in New Jersey.

Line-of-Credit -

On June 1, 2018, IAVI entered into a \$25,000,000 secured line-of-credit arrangement with a financial institution. This facility is subject to annual renewal by the bank in its sole discretion. Under the terms of the line-of-credit amended on June 1, 2022, the bank may provide loans, at the bank's discretion, and is not committed to lend to IAVI. Each loan, if made, shall bear interest at a rate selected by IAVI: (a) Prime Rate or (b) Secured Overnight Financing Rate (SOFR) plus 0.95% for one month, 1% for three months and 1.1% for six months. There were no borrowings outstanding as of December 31, 2023.

General -

Various claims and regulatory reviews arise in the ordinary course of IAVI's activities. Based upon information currently available, management believes that any liability arising wherefrom will not materially affect the consolidated financial position and operations of IAVI.

**11. SUBSEQUENT EVENTS**

In preparing these consolidated financial statements, IAVI has evaluated events and transactions for potential recognition or disclosure through July 10, 2024, the date the consolidated financial statements were issued.

## **SUPPLEMENTAL INFORMATION**

**INTERNATIONAL AIDS VACCINE INITIATIVE, INC.**  
**CONSOLIDATING SCHEDULE OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2023**

	IAVI*	The Stichting	IAVI India	IAVI-SA	IAVI-AFRICA	Eliminations	Total
<b>ASSETS</b>							
Cash and cash equivalents	\$ 34,403,229	\$ 1,518,090	\$ 63,054	\$ 118,568	\$ 217,571	\$ -	\$ 36,320,512
Investments	33,407,409	-	-	-	-	-	33,407,409
Grants receivable, net	46,434,558	1,876,026	443,616	411,181	6,436	(90,135)	49,081,682
Security deposits and other assets	751,500	30,314	35,785	11,635	137,792	-	967,026
Right-of-use assets, net	8,309,866	-	-	-	-	-	8,309,866
Property, equipment and leasehold improvements net of accumulated depreciation and amortization of \$46,813,481	927,381	3,634	-	-	-	-	931,015
<b>TOTAL ASSETS</b>	<b>\$ 124,233,943</b>	<b>\$ 3,428,064</b>	<b>\$ 542,455</b>	<b>\$ 541,384</b>	<b>\$ 361,799</b>	<b>\$ (90,135)</b>	<b>\$ 129,017,510</b>
<b>LIABILITIES</b>							
Accounts payable and accrued liabilities	\$ 9,420,265	\$ 219,583	\$ 123,342	\$ 328,082	\$ 315,448	\$ (90,135)	\$ 10,316,585
Awards and contracts payable	11,781,746	9,823	-	-	-	-	11,791,569
Refundable advances	28,968,880	-	-	-	-	-	28,968,880
Deferred compensation payable	381,326	-	-	-	-	-	381,326
Operating lease liabilities, net	9,757,974	-	-	-	-	-	9,757,974
Total liabilities	60,310,191	229,406	123,342	328,082	315,448	(90,135)	61,216,334
<b>NET ASSETS</b>							
Without donor restrictions:							
Designated	32,056,013	203,242	117,369	210,326	46,351	-	32,633,301
With donor restrictions	31,867,739	2,995,416	301,744	2,976	-	-	35,167,875
Total net assets	63,923,752	3,198,658	419,113	213,302	46,351	-	67,801,176
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 124,233,943</b>	<b>\$ 3,428,064</b>	<b>\$ 542,455</b>	<b>\$ 541,384</b>	<b>\$ 361,799</b>	<b>\$ (90,135)</b>	<b>\$ 129,017,510</b>

\*Includes International AIDS Vaccine Initiative, Inc. and IAVI Lab LLC

## INTERNATIONAL AIDS VACCINE INITIATIVE, INC.

**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	IAVI*			The Stichting		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>						
Grants and contributions	\$ 115,705,213	\$ 10,804,736	\$ 126,509,949	\$ 195	\$ 27,391	\$ 27,586
Net investment return	2,633,611	-	2,633,611	321	-	321
Other income	406,028	-	406,028	7,941	-	7,941
Net assets released from donor restrictions	10,750,156	(10,750,156)	-	224,820	(224,820)	-
Total revenue and support	129,495,008	54,580	129,549,588	233,277	(197,429)	35,848
<b>EXPENSES</b>						
Program Services:						
Research and Development	107,201,986	-	107,201,986	1,014,803	-	1,014,803
Vaccine Advocacy, Public Affairs and Policy	1,701,484	-	1,701,484	830,280	-	830,280
Total program services	108,903,470	-	108,903,470	1,845,083	-	1,845,083
Supporting Services:						
General and Administrative	14,700,113	-	14,700,113	2,616	-	2,616
Fundraising	324,790	-	324,790	315,127	-	315,127
Total supporting services	15,024,903	-	15,024,903	317,743	-	317,743
Total expenses	123,928,373	-	123,928,373	2,162,826	-	2,162,826
Change in net assets before other items	5,566,635	54,580	5,621,215	(1,929,549)	(197,429)	(2,126,978)
<b>OTHER ITEMS - NON-OPERATING</b>						
Currency translation adjustment	(73,167)	4,423	(68,744)	86,217	-	86,217
Foreign exchange gain (loss)	190,856	792,016	982,872	5,246	-	5,246
Provision for HIL closure	(1,000,000)	-	(1,000,000)	-	-	-
Contributions from International AIDS Vaccine Initiative, Inc. to consolidated entities	(7,878,645)	-	(7,878,645)	3,186,672	-	3,186,672
Change in net assets	(3,194,321)	851,019	(2,343,302)	1,348,586	(197,429)	1,151,157
Net assets at beginning of year	35,250,334	31,016,720	66,267,054	(1,145,344)	3,192,845	2,047,501
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 32,056,013</b>	<b>\$ 31,867,739</b>	<b>\$ 63,923,752</b>	<b>\$ 203,242</b>	<b>\$ 2,995,416</b>	<b>\$ 3,198,658</b>

\*Includes International AIDS Vaccine Initiative, Inc. and IAVI Lab LLC

**INTERNATIONAL AIDS VACCINE INITIATIVE, INC.**

**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	IAVI India			IAVI-SA		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUE AND SUPPORT</b>						
Grants and contributions	\$ 63,202	\$ -	\$ 63,202	\$ 26,567	\$ -	\$ 26,567
Net investment return	1,067	-	1,067	941	-	941
Other income	246	-	246	-	-	-
Net assets released from donor restrictions	129,467	(129,467)	-	772,794	(772,794)	-
Total revenue and support	193,982	(129,467)	64,515	800,302	(772,794)	27,508
<b>EXPENSES</b>						
Program Services:						
Research and Development	181,301	-	181,301	2,930,523	-	2,930,523
Vaccine Advocacy, Public Affairs and Policy	778	-	778	24,857	-	24,857
Total program services	182,079	-	182,079	2,955,380	-	2,955,380
Supporting Services:						
General and Administrative	-	-	-	96,508	-	96,508
Fundraising	-	-	-	-	-	-
Total supporting services	-	-	-	96,508	-	96,508
Total expenses	182,079	-	182,079	3,051,888	-	3,051,888
Change in net assets before other items	11,903	(129,467)	(117,564)	(2,251,586)	(772,794)	(3,024,380)
<b>OTHER ITEMS - NON-OPERATING</b>						
Currency translation adjustment	73,687	-	73,687	(76,884)	-	(76,884)
Foreign exchange gain (loss)	(58)	-	(58)	79,628	-	79,628
Provision for HIL closure	-	-	-	-	-	-
Contributions from International AIDS Vaccine Initiative, Inc. to consolidated entities	-	-	-	2,465,947	-	2,465,947
Change in net assets	85,532	(129,467)	(43,935)	217,105	(772,794)	(555,689)
Net assets at beginning of year	31,837	431,211	463,048	(6,779)	775,770	768,991
<b>NET ASSETS AT END OF YEAR</b>	<b>\$ 117,369</b>	<b>\$ 301,744</b>	<b>\$ 419,113</b>	<b>\$ 210,326</b>	<b>\$ 2,976</b>	<b>\$ 213,302</b>



**INTERNATIONAL AIDS VACCINE INITIATIVE, INC.**

**CONSOLIDATING SCHEDULE OF ACTIVITIES AND CHANGE IN NET ASSETS  
FOR THE YEAR ENDED DECEMBER 31, 2023**

	<b>IAVI-AFRICA</b>		<b>Total</b>	<b>Eliminations</b>	<b>Total</b>
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>			
<b>REVENUE AND SUPPORT</b>					
Grants and contributions	\$ 9,570	\$ -	\$ 9,570	\$ (143,675)	\$ 126,493,199
Net investment return	-	-	-	-	2,635,940
Other income	-	-	-	-	414,215
Net assets released from donor restrictions	-	-	-	-	-
Total revenue and support	<u>9,570</u>	<u>-</u>	<u>9,570</u>	<u>(143,675)</u>	<u>129,543,354</u>
<b>EXPENSES</b>					
Program Services:					
Research and Development	2,087,254	-	2,087,254	-	113,415,867
Vaccine Advocacy, Public Affairs and Policy	55,430	-	55,430	-	2,612,829
Total program services	<u>2,142,684</u>	<u>-</u>	<u>2,142,684</u>	<u>-</u>	<u>116,028,696</u>
Supporting Services:					
General and Administrative	27,100	-	27,100	(143,675)	14,682,662
Fundraising	-	-	-	-	639,917
Total supporting services	<u>27,100</u>	<u>-</u>	<u>27,100</u>	<u>(143,675)</u>	<u>15,322,579</u>
Total expenses	<u>2,169,784</u>	<u>-</u>	<u>2,169,784</u>	<u>(143,675)</u>	<u>131,351,275</u>
Change in net assets before other items	(2,160,214)	-	(2,160,214)	-	(1,807,921)
<b>OTHER ITEMS - NON-OPERATING</b>					
Currency translation adjustment	(30,312)	-	(30,312)	-	(16,036)
Foreign exchange gain (loss)	10,851	-	10,851	-	1,078,539
Provision for HIL closure	-	-	-	-	(1,000,000)
Contributions from International AIDS Vaccine Initiative, Inc. to consolidated entities	2,226,026	-	2,226,026	-	-
Change in net assets	46,351	-	46,351	-	(1,745,418)
Net assets at beginning of year	-	-	-	-	69,546,594
<b>NET ASSETS AT END OF YEAR</b>	<u><b>\$ 46,351</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 46,351</b></u>	<u><b>\$ -</b></u>	<u><b>\$ 67,801,176</b></u>