

**FRIENDS OF THE GLOBAL FIGHT AGAINST
AIDS, TUBERCULOSIS, AND MALARIA**

FINANCIAL STATEMENTS

December 31, 2024 and 2023

CONTENTS

Independent Auditor's Report	1
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Functional Expenses	5
Statements of Cash Flows	6
Notes to Financial Statements	7

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Friends of the Global Fight Against Aids, Tuberculosis, and Malaria
Washington, D.C.

Opinion

We have audited the financial statements of Friends of the Global Fight Against Aids, Tuberculosis, and Malaria, which comprise the statement of financial position as of December 31, 2024, and the related statements of activities, functional expenses, and cash flows for the year 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 Friends of the Global Fight Against Aids, Tuberculosis, and Malaria, as of December 31, 2024, 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.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards 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 Friends of the Global Fight Against Aids, Tuberculosis, and Malaria, 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.

Prior Period Financial Statements

The financial statements of Friends of the Global Fight Against Aids, Tuberculosis, and Malaria, as of December 31, 2023 were audited by other auditors whose report dated June 12, 2024 expressed an unmodified opinion on those statements.

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 Friends of the Global Fight Against Aids, Tuberculosis, and Malaria's ability to continue as a going concern within one year after the date that the financial statements are available to be 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 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 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 Friends of the Global Fight Against Aids, Tuberculosis, and Malaria'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 Friends of the Global Fight Against Aids, Tuberculosis, and Malaria'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.



Wegner CPAs, LLP
Alexandria, Virginia
May 2, 2025

FRIENDS OF THE GLOBAL FIGHT AGAINST AIDS, TUBERCULOSIS, AND MALARIA
STATEMENTS OF FINANCIAL POSITION
December 31, 2024 and 2023

	2024	2023
ASSETS		
CURRENT ASSETS		
Cash	\$ 2,244,933	\$ 2,576,635
Current portion of unconditional promises to give	1,918,727	1,710,650
Other receivables	9,722	4,167
Prepaid expenses	49,353	85,340
Total current assets	4,222,735	4,376,792
Property and equipment, net	40,459	41,605
OTHER ASSETS		
Unconditional promises to give less current portion, net	-	1,658,074
Security deposit	19,294	19,294
Operating lease right-of-use asset	1,767,495	1,967,929
Finance lease right-of-use asset	7,895	2,698
Total other assets	1,794,684	3,647,995
Total assets	\$ 6,057,878	\$ 8,066,392
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 25,575	\$ 19,565
Accrued payroll and vacation	139,727	132,409
Sublease security deposit	9,000	9,000
Deferred revenue	5,500	-
Current portion of operating lease liability	176,084	143,367
Current portion of finance lease liability	2,460	2,879
Total current liabilities	358,346	307,220
NONCURRENT LIABILITIES		
Operating lease liability less current portion	1,923,924	2,100,008
Finance lease liability less current portion	5,434	-
Total liabilities	2,287,704	2,407,228
NET ASSETS		
Without donor restrictions	268,533	537,036
With donor restrictions		
HIV Advocacy in Congress	145,516	-
Subsequent years' operations	3,356,125	5,122,128
Total net assets	3,770,174	5,659,164
Total liabilities and net assets	\$ 6,057,878	\$ 8,066,392

See accompanying notes.

FRIENDS OF THE GLOBAL FIGHT AGAINST AIDS, TUBERCULOSIS, AND MALARIA
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2024 and 2023

	2024			2023		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Grants and contributions	\$ 338,341	\$ 690,516	\$ 1,028,857	\$ 117,853	\$ 6,081,201	\$ 6,199,054
In-kind contributions	45,254	\$ -	45,254			
Interest income	14,945	-	14,945	15,331	-	15,331
Administrative services	150,000	-	150,000	150,000	-	150,000
Rental income	63,000	-	63,000	60,000	-	60,000
	611,540	690,516	1,302,056	343,184	6,081,201	6,424,385
EXPENSES						
Program Services						
Communications and media	914,425	-	914,425	902,698	-	902,698
Policy	1,637,063	-	1,637,063	1,602,006	-	1,602,006
Supporting Activities						
Management and General	503,739	-	503,739	450,519	-	450,519
Fundraising	135,819	-	135,819	124,154	-	124,154
	3,191,046	-	3,191,046	3,079,377	-	3,079,377
NET ASSETS RELEASED FROM RESTRICTIONS						
Expiration of time restrictions	2,311,003	(2,311,003)	-	2,499,073	(2,499,073)	-
Change in net assets	(268,503)	(1,620,487)	(1,888,990)	(237,120)	3,582,128	3,345,008
Net assets at beginning of year	537,036	5,122,128	5,659,164	774,156	1,540,000	2,314,156
Net assets at end of year	\$ 268,533	\$ 3,501,641	\$ 3,770,174	\$ 537,036	\$ 5,122,128	\$ 5,659,164

See accompanying notes.

FRIENDS OF THE GLOBAL FIGHT AGAINST AIDS, TUBERCULOSIS, AND MALARIA
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2024 and 2023

	Program Services		Supporting Activities		Total Expenses
	Communications and Media	Policy	Management and General	Fundraising	
<u>2024</u>					
Advertising	\$ 89	\$ 6,661	\$ 139	\$ -	\$ 6,889
Depreciation and amortization	3,384	4,207	3,704	549	11,844
Dues and subscriptions	16,229	50,876	8,571	2,749	78,425
Gifts	-	-	18,812	-	18,812
Insurance	1,301	1,617	387	211	3,516
Interest	-	-	80	-	80
Occupancy	92,148	114,242	27,493	14,866	248,749
Office expenses	2,149	3,253	14,181	415	19,998
Professional fees	59,876	373,291	106,825	3,176	543,168
Salaries and benefits	715,992	864,955	231,582	112,845	1,925,374
Sponsorships	-	21,000	20,000	-	41,000
Telecommunications	4,683	9,707	1,989	617	16,996
Travel and meetings	18,574	187,254	24,722	391	230,941
Donated legal services	-	-	45,254	-	45,254
Total expenses	\$ 914,425	\$ 1,637,063	\$ 503,739	\$ 135,819	\$ 3,191,046
	Program Services		Supporting Activities		Total Expenses
	Communications and Media	Policy	Management and General	Fundraising	
<u>2023</u>					
Advertising	\$ 8,603	\$ 103	\$ -	\$ 311	\$ 9,017
Depreciation and amortization	5,687	7,070	4,634	922	18,313
Dues and subscriptions	15,928	41,834	7,265	3,193	68,220
Gifts	517	3,295	2,466	-	6,278
Insurance	1,627	1,993	459	294	4,373
Interest	-	-	280	-	280
Occupancy	90,466	112,459	26,895	14,682	244,502
Office expenses	1,997	4,030	4,448	422	10,897
Professional fees	70,514	395,209	145,195	637	611,555
Salaries and benefits	692,070	868,705	237,922	102,698	1,901,395
Sponsorships	3,000	56,700	10,000	-	69,700
Telecommunications	5,521	10,821	1,926	920	19,188
Travel and meetings	6,768	99,787	9,029	75	115,659
Total expenses	\$ 902,698	\$ 1,602,006	\$ 450,519	\$ 124,154	\$ 3,079,377

See accompanying notes.

FRIENDS OF THE GLOBAL FIGHT AGAINST AIDS, TUBERCULOSIS, AND MALARIA
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (1,888,990)	\$ 3,345,008
Adjustments to reconcile change in net assets to net change in cash		
Depreciation and amortization	11,844	18,313
Amortization of operating lease right-of-use asset	177,197	171,032
Amortization of discount on unconditional promises to give	(70,137)	70,137
(Increase) decrease in assets		
Unconditional promises to give	1,520,134	(3,398,861)
Other receivables	(5,555)	(117)
Prepaid expenses	35,987	(27,952)
Increase (decrease) in liabilities		
Accounts payable and accrued expenses	6,010	(16,242)
Accrued payroll and vacation	7,318	(57,509)
Deferred revenue	5,500	(60,000)
Operating lease liability	(120,133)	(71,706)
Net cash flows from operating activities	(320,825)	(27,897)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of fixed assets	(7,999)	(41,845)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal payments on finance lease liabilities	(2,878)	(2,947)
Change in cash	(331,702)	(72,689)
Cash at beginning of year	<u>2,576,635</u>	<u>2,649,324</u>
Cash at end of year	<u>\$ 2,244,933</u>	<u>\$ 2,576,635</u>
SUPPLEMENTAL DISCLOSURES		
Cash paid for interest	\$ 122	\$ 280

See accompanying notes.

FRIENDS OF THE GLOBAL FIGHT AGAINST AIDS, TUBERCULOSIS, AND MALARIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Friends of the Global Fight Against Aids, Tuberculosis, and Malaria (Friends) is a nonprofit organization incorporated in the District of Columbia that supports the mission of the Global Fund to Fight AIDS, Tuberculosis and Malaria by raising awareness about its lifesaving work with policy leaders and decision makers in Washington, D.C., as well as the media and the advocacy community. The goal of these efforts is to achieve both sustained governmental funding and meaningful public policy on The Global Fund and the three diseases. Friends is supported primarily by grants and contributions

Other Receivables

Other receivables primarily represent amounts that have been billed for services and also includes various refunds from vendors. Other receivables are stated at the amount management expects to be collected from outstanding balances based on historical collection experience, current knowledge of circumstances that may affect the ability of clients to meet their obligations, and future forecasts of collections. As such, credit losses are expected to be insignificant.

Revenue Recognition

Friends provides administrative services to an independent non-profit organization as an exchange transaction. Administrative fees received in advance are deferred and recognized as revenue when the services occur. Revenue from administrative services are recognized when Friends provides the particular service.

Friends' receivables and deferred revenue from contracts are as follows:

	2024	2023
Other receivables at beginning of year	\$ 4,167	\$ 4,284
Other receivables at end of year	9,722	4,167
Deferred revenue at beginning of year	\$ -	\$ 60,000
Deferred revenue at end of year	5,500	-

Property and Equipment

Additions and betterments of property and equipment in excess of \$1,000 are capitalized, while maintenance and repairs that do not improve or extend the useful lives of the respective assets are expensed. Property and equipment are capitalized and carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

FRIENDS OF THE GLOBAL FIGHT AGAINST AIDS, TUBERCULOSIS, AND MALARIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Promises to Give

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in more than one year are recorded at fair value, which is measured as the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Contributions

Contributions received are recorded as increases in net assets without donor restrictions and net assets with donor restrictions depending on the existence of any donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Conditional promises to give are not recognized in the financial statements until the conditions are substantially met or explicitly waived by the donor.

Donated Services

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include advertising, depreciation and amortization, insurance, occupancy, office expenses, professional fees, salaries and benefits, telecommunications, and travel and meetings.

The following program services and supporting activities are included in the accompanying financial statements:

Communications and Media—To educate U.S. policymakers and decision makers on the work of the Global Fund and its successes fighting aids, tuberculosis, and malaria by creating and distributing dozens of papers to global health NGOs, congressional offices and the US administration on the work and successes of the global fund.

Policy— To ensure that the US government continues to support the global fund to fight aids, tuberculosis, and malaria and the fight against these three diseases around the world.

FRIENDS OF THE GLOBAL FIGHT AGAINST AIDS, TUBERCULOSIS, AND MALARIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Management and General—To support the overall direction of Friends and includes the functions necessary to ensure proper administrative services, manage the financial and budgetary responsibilities, and perform other administrative functions.

Fundraising—To provide the structure necessary to encourage and secure financial support from individuals, foundations, and corporations.

Advertising

Friends uses advertising to promote its programs among the audience it reaches. Advertising is expensed in the period the advertising takes place.

Income Tax Status

Friends is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements.

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. Actual results could differ from those estimates.

Leases

Friends does not recognize short-term leases in the statement of financial position. For these leases, Friends recognizes the lease payments in the change in net assets on a straight-line basis over the lease term and variable lease payments in the period in which the obligation for those payments is incurred. Friends also does not separate nonlease components from lease components for all classes of underlying assets and instead accounts for each separate lease component and the nonlease components associated with that lease component as a single lease component. If the rate implicit in the lease is not readily determinable, Friends uses a risk-free rate as the discount rate for the lease for all classes of underlying assets.

Date of Management's Review

Management has evaluated subsequent events through May 2, 2025, the date which the financial statements were available to be issued.

FRIENDS OF THE GLOBAL FIGHT AGAINST AIDS, TUBERCULOSIS, AND MALARIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 2—RETIREMENT PLAN

Friends has a retirement plan in which all eligible employees can participate. Employees are eligible upon 6 months of hire. Participants in the plan may contribute up to the maximum amount permitted by the IRS. Friends will match 100% on the first 4% of the eligible participant's compensation. Retirement expense for the years ended December 31, 2024 and 2023 totaled \$45,626 and \$48,160, respectively.

NOTE 3—CONCENTRATIONS

Credit Risk

Friends maintains its cash balances at one financial institution located in Washington, D.C. The balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. At December 31, 2024 and 2023, Friends's uninsured cash balances totaled approximately \$1,995,000 and \$2,327,000, respectively.

Donor Concentration

For the years ended December 31, 2024 and 2023, 68% and 81%, respectively, of Friends' contributed support came from three donors and one donor each year, respectively.

NOTE 4—DONATED LEGAL SERVICES

Friends received \$45,254 of donated legal services from a law firm during the year ended December 31, 2024. The donated legal services did not have donor-imposed restrictions. The donated legal services are used for management and general activities and are valued and reported at the estimated fair value in the financial statements based on current rates for similar services.

NOTE 5—UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are as follows:

	<u>2024</u>	<u>2023</u>
Receivable in less than one year	\$ 1,918,727	\$ 1,710,650
Receivable in one to five years	-	1,728,211
	<u>1,918,727</u>	<u>3,438,861</u>
Less discount to present value at 4.23%	-	70,137
Unconditional promises to give, net	<u>\$ 1,918,727</u>	<u>\$ 3,368,724</u>

FRIENDS OF THE GLOBAL FIGHT AGAINST AIDS, TUBERCULOSIS, AND MALARIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 6—PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	<u>2024</u>	<u>2023</u>
Leasehold improvements	\$ 14,542	\$ 14,542
Equipment	5,000	12,586
Computer equipment	27,924	25,340
Furniture and fixtures	69,290	77,040
Website	<u>26,550</u>	<u>26,550</u>
Property and equipment	143,306	156,058
Less accumulated depreciation and amortization	<u>102,847</u>	<u>114,453</u>
Property and equipment, net	<u>\$ 40,459</u>	<u>\$ 41,605</u>

NOTE 7—LEASES

Friends has a lease for office space under an operating lease that expires on May 31, 2033. Friends also has a finance lease for a copier that expires on November 1, 2027. The components of total lease cost are as follows:

	<u>2024</u>	<u>2023</u>
Finance lease cost		
Amortization of right-of-use assets	\$ 2,918	\$ 2,943
Interest on lease liabilities	122	280
Operating lease cost	247,527	247,527
Sublease income	<u>(63,000)</u>	<u>(60,000)</u>
Total lease cost	<u>\$ 187,567</u>	<u>\$ 190,750</u>

Other information related to leases is as follows:

	<u>2024</u>	<u>2023</u>
Cash paid for amounts included in the measurement of lease liabilities		
Operating cash flows from finance leases	\$ 42	\$ 280
Operating cash flows from operating leases	213,697	146,043
Finance cash flows from finance leases	2,878	2,943
Right-of-use assets obtained in exchange for new financing lease liabilities	7,895	-
Weighted-average remaining lease term		
Operating lease	8.4 years	9.4 years
Finance lease	2.8 years	0.9 years
Weighted-average discount rate		
Operating lease	3.26%	3.26%
Finance lease	6.60%	6.63%

FRIENDS OF THE GLOBAL FIGHT AGAINST AIDS, TUBERCULOSIS, AND MALARIA
NOTES TO FINANCIAL STATEMENTS
December 31, 2024 and 2023

NOTE 7—LEASES (continued)

The maturities of lease liabilities as of December 31, 2024, are as follows:

	Finance Lease	Operating Lease
Year ending December 31:		
2025	\$ 2,892	\$ 241,269
2026	2,892	270,086
2027	2,651	276,838
2028	-	283,759
2029	-	290,853
Thereafter	-	1,049,037
Total minimum lease payments	8,435	2,411,842
Imputed interest	(541)	(311,834)
Total lease liabilities	<u>\$ 7,894</u>	<u>\$ 2,100,008</u>

NOTE 8—LIQUIDITY AND AVAILABILITY

The following table reflects Friends' financial assets as of the date of the statements of financial position, reduced by amounts not available for general expenditures within one year of the date of the statements of financial position because of donor-imposed restrictions:

	2024	2023
Financial assets at end of year		
Cash	\$ 2,244,933	\$ 2,576,635
Other receivables	9,722	4,167
Unconditional promises to give, net	1,918,727	3,368,724
Total financial assets	4,173,382	5,949,526
Less amounts unavailable for general expenditures within one year:		
Restricted by donors with time or purpose restrictions	(145,516)	(5,122,128)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 4,027,866</u>	<u>\$ 827,398</u>

As part of Friends' liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.