

AIDS United

Financial Statements and
Supplementary Information

Year Ended December 31, 2024



AIDS United

Year Ended December 31, 2024

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Independent Auditor's Report

To the Board of Trustees
AIDS United
Washington, DC

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of AIDS United (the "Organization"), a nonprofit organization, 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 referred to above present fairly, in all material respects, the financial position of AIDS United 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 ("GAAP").

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS") and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 AIDS United 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.

Adjustments to Prior Period Financial Statements

The financial statements of AIDS United as of December 31, 2023, were audited by other auditors whose report dated August 5, 2024, expressed an unmodified opinion on those statements. As discussed in Note 14 to the financial statements, AIDS United has adjusted its 2023 financial statements to properly record agency transactions and recognize grant revenue. The other auditors reported on the financial statements before the retrospective adjustments. As part of our audit of the 2024 financial statements, we audited the adjustments to the 2023 financial statements to retroactively apply this change. In our opinion, the adjustments were appropriate and have been properly applied.

We were not engaged to audit, review or apply any procedures to AIDS United's 2023 financial statements other than with respect to these adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2023 financial statements as a whole.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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 AIDS United's ability to continue as a going concern for one year after the date 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 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 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 and *Government Auditing Standards*, 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 AIDS United'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 AIDS United'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements as a whole. The accompanying schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for purposes of additional analysis and is not a required part of the 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 financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the information is fairly stated in all material respects in relation to the 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 November 17, 2025 on our consideration of AIDS United'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 AIDS United'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 AIDS United's internal control over financial reporting and compliance.

Wipfli LLP

A handwritten signature in black ink that reads "Wipfli LLP". The signature is written in a cursive, flowing style.

Madison, Wisconsin

November 17, 2025

AIDS United

Statement of Financial Position

December 31, 2024

Assets	
Current assets:	
Cash and cash equivalents	\$ 1,994,353
Investments	1,008,007
Grants receivable	1,131,030
Promises to give - current portion	1,710,000
Deposits	6,000
Total current assets	5,849,390
Other assets:	
Investments in endowment	1,676,180
Restricted cash - funds held under agency agreements	154,597
Promises to give - net of current portion	805,000
Right-of-use assets, operating	977,214
Total other assets	3,612,991
TOTAL ASSETS	\$ 9,462,381
Liabilities and Net Assets	
Current liabilities:	
Accounts payable	\$ 1,467,644
Accrued expenses	641,160
Funds held under agency agreements	154,597
Deferred revenue	100,000
Refundable advances	410,964
Operating lease obligation - current portion	316,350
Total current liabilities	3,090,715
Long-term liabilities:	
Operating lease obligations - net of current portion	839,126
Total long-term liabilities	839,126
Total liabilities	3,929,841
Net assets:	
Without donor restrictions:	
Undesignated	507,458
Board designated	14,898
Total without donor restrictions	522,356
With donor restrictions	5,010,184
Total net assets	5,532,540
TOTAL LIABILITIES AND NET ASSETS	\$ 9,462,381

See accompanying notes to financial statements.

AIDS United

Statement of Activities

Year Ended December 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue:			
Government and other grants	\$ 5,580,841	\$ -	\$ 5,580,841
Contributions	3,059,795	2,298,516	5,358,311
Program fees	552,500	-	552,500
Membership dues	335,608	-	335,608
Rental income	190,221	-	190,221
Interest income	55,769	-	55,769
Unrealized gains on investments	-	76,180	76,180
Other income	288,627	-	288,627
Net assets released from restrictions	2,129,512	(2,129,512)	-
Total revenue	12,192,873	245,184	12,438,057
Expenses:			
Program services:			
Coordinating Center for Technical Assistance	4,040,890	-	4,040,890
Policy advocacy	1,941,156	-	1,941,156
Harm reduction	477,525	-	477,525
Southern HIV impact fund	2,584,211	-	2,584,211
Capacity building assistance	579,811	-	579,811
People organizing positively	545,507	-	545,507
Other programs	656,718	-	656,718
Total program services	10,825,818	-	10,825,818
Support services:			
Management and general	2,067,827	-	2,067,827
Fundraising	431,629	-	431,629
Total support services	2,499,456	-	2,499,456
Total expenses	13,325,274	-	13,325,274
Changes in net assets	(1,132,401)	245,184	(887,217)
Net assets at beginning of year, as previously stated	233,471	4,765,000	4,998,471
Prior period adjustments	1,421,286	-	1,421,286
Net assets, beginning of year, as restated	1,654,757	4,765,000	6,419,757
Net assets at end of year	\$ 522,356	\$ 5,010,184	\$ 5,532,540

See accompanying notes to financial statements.

AIDS United
Statement of Functional Expenses
Year Ended December 31, 2024

	Program Services							Support Services				
	Coordinating Center for Technical Assistance	Policy Advocacy	Harm Reduction	Southern HIV Impact Fund	Capacity Building Assistance	People Organizing Positively	Other Programs	Total Program Services	Management and General	Fundraising	Total Support Services	Total Expenses
Grants	\$ 3,074,793	\$ 46,000	\$ 303,125	\$ 1,772,000	\$ -	\$ 143,750	\$ 138,700	\$ 5,478,368	\$ 179,020	\$ -	\$ 179,020	\$ 5,657,388
Salaries and fringe benefits	401,184	996,082	101,981	351,325	355,808	212,674	321,468	2,740,522	2,095,731	106,786	2,202,517	4,943,039
Contracted services	204,462	501,905	3,169	161,925	69,573	59,518	94,414	1,094,966	145,568	252,254	397,822	1,492,788
Travel	115,665	49,850	16,582	88,111	14,537	50,377	-	335,122	75,490	2,180	77,670	412,792
Operating costs	58,526	155,722	17,714	22,210	80,801	31,248	-	366,221	-	27,295	27,295	393,516
Indirect costs	186,260	191,597	34,954	188,640	59,092	47,940	102,136	810,619	(427,982)	43,114	(384,868)	425,751
Total expenses	\$ 4,040,890	\$ 1,941,156	\$ 477,525	\$ 2,584,211	\$ 579,811	\$ 545,507	\$ 656,718	\$ 10,825,818	\$ 2,067,827	\$ 431,629	\$ 2,499,456	\$ 13,325,274

See accompanying notes to financial statements.

AIDS United

Statement of Cash Flows

Year Ended December 31, 2024

Increase (decrease) in cash and cash equivalents and restricted cash:	
Cash flows from operating activities:	
Change in net assets	(\$ 887,217)
Adjustments to reconcile change in net assets to net cash from operating activities:	
Unrealized gains on investments	(76,180)
Non-cash lease expense	538,797
Changes in operating assets and liabilities:	
Grants receivable	2,074,254
Promises to give	(2,515,000)
Deposits	(6,000)
Accounts payable	49,086
Accrued expenses	555,282
Deferred revenue	(32,000)
Refundable advances	410,964
Other liabilities	(267,361)
Operating lease obligations	(360,535)
Funds held under agency agreements	45,831
Net cash from operating activities	(470,079)
Cash flows from investing activities:	
Proceeds from sales of investments	694,231
Endowment investments appropriated for expenditure	300,000
Net cash from investing activities	994,231
Changes in cash and cash equivalents and restricted cash	524,152
Cash and cash equivalents and restricted cash - Beginning of year	1,624,798
Cash and cash equivalents and restricted cash - End of year	\$ 2,148,950
Reconciliation of cash and cash equivalents and restricted cash:	
Cash and cash equivalents	\$ 1,994,353
Restricted cash - funds held under agency agreements	154,597
Total cash and cash equivalents and restricted cash	\$ 2,148,950

See accompanying notes to financial statements.

AIDS United

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

Nature of Operations

AIDS United (AU) is a 501(c)(3) organization headquartered in Washington, D.C. AU's mission is to end the AIDS epidemic in the United States, and it works to achieve its mission through strategic grant-making, technical assistance and capacity building, as well as advocacy and policy. Originally incorporated in August 1990 under the laws of Ohio as the National Community AIDS Partnership (NCAP), the organization changed its name to the National AIDS Fund in January 1996 to reflect the merger of NCAP with National Leadership Coalition on AIDS. In January 2011, National AIDS Fund (NAF) changed its name to AIDS United to reflect the acquisition of AIDS Action Foundation (AAF), a 501(c)(3) organization, and AIDS Action Council (AAC), a 501(c)(4) organization, both incorporated in the District of Columbia. The transaction was effective January 1, 2011, through a one-time gift of net assets to NAF from AAF and AAC. AAF and AAC provided public policy and advocacy support to organizations actively engaged in HIV/AIDS work and the acquisition by NAF is considered complementary and synergistic with AU's mission of ending the HIV/AIDS epidemic.

AU's programs are supported primarily through government, corporate, and foundation grants and contributions. AU works in partnership with both the public and private sectors to raise and distribute grant funds and provide technical assistance and training resources to strengthen the response to the HIV/AIDS epidemic throughout the United States. AU also works through a dues-paying base of participating organizations to help shape policy and ensure advocacy for an effective HIV/AIDS response at both national and local levels.

Basis of Presentation

The financial statements are prepared using the accrual basis of accounting in accordance with accounting principles generally accepted in the United States (GAAP).

Classification of Net Assets

Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of AU and changes therein are classified and reported as follows:

Without donor restrictions: Net assets that are not subject to donor-imposed stipulations or where donor-imposed stipulations are met in the year of the contribution. Included in net assets without donor restrictions are amounts designated by the Board of Trustees. The Board of Trustees created a quasi-endowment for the John Taylor Memorial Fund with the intent of not spending the corpus.

With donor restrictions: Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other explicit donor-imposed restrictions are perpetual in nature, where the donor stipulates resources may be maintained in perpetuity. 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.

AIDS United

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make certain estimates and assumptions regarding reported amounts of assets and liabilities and disclosure of contingent asset and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Promises to Give

Unconditional promises to give are recorded as receivables in the year pledged. Conditional promises to give are recognized only when the conditions on which they depend are substantially met. Promises to give whose eventual uses are restricted by the donors are recorded as increases in temporarily restricted net assets. Unrestricted promises to give to be collected in future periods are also recorded as an increase to temporarily restricted net assets and reclassified to unrestricted net assets when received, unless the donor's intention is to support current-period activities.

Promises to give expected to be collected in less than one year are reported at net realizable value. Promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows on a discounted basis applicable to the years in which the promises were received. The amortization of the discount is recognized as contribution income over the duration of the pledge.

Management individually reviews all past due promises to give balances and estimates the portion, if any, of the balance that will not be collected. The carrying amounts of promises to give are reduced by allowances that reflect management's estimate of uncollectible amounts.

Revenue Recognition

Contributions, including promises to give, are considered conditional or unconditional, depending on the nature and existence of any donor or grantor conditions. A contribution or promise to give contains a donor or grantor condition when both of the following are present:

- An explicit identification of a barrier, that is more than trivial, that must be overcome before the revenue can be earned and recognized
- An implicit right of return of assets transferred or a right of release of a donor or grantor's obligation to transfer assets promised, if the condition is not met

Conditional contributions are recognized when the barrier(s) to entitlement are overcome. Unconditional contributions are recognized as revenue when received. Unconditional contributions or conditional contributions in which the conditions have been substantially met or explicitly waived by the donor are recorded as support with or without donor restrictions, depending on the existence and nature 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 consolidated statements of activities as net assets released from restrictions. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

AIDS United

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Revenue Recognition (Continued)

Grants are either recorded as contributions or exchange transactions based on criteria contained in the grant award.

A. Grant Awards that are Contributions

Grants that qualify as contributions are recorded as invoiced to the funding sources in accordance with the terms of the award. Revenue is recognized in the accounting period when the related allowable expenses are incurred. Amounts received in excess of expenses or asset acquisitions are reflected as refundable advances.

B. Grant Awards that are Exchange Transactions

Exchange transactions are reimbursed based on a predetermined rate for services performed in accordance with the term of the award. Revenue is recognized when control of the promised goods or services is transferred to the customer (grantor) in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Amounts received in excess of recognized revenue are reflected as deferred revenue.

Program fees represent amounts contributed by program beneficiaries. The contributions are to help defray the cost of the specific program in which the beneficiary received assistance.

Membership dues - AU recognizes revenue from member dues over the membership period, which is generally one calendar year. The performance obligation consists of providing members with services throughout the period, consisting of continuing education, networking, and advocacy and outreach. Access to these benefits is voluntary and occur at any time during the membership period, so the membership benefits are treated as one performance obligation. The revenue is recognized over time on a straight-line basis as the services are simultaneously received and consumed by members.

Dues paid in advance are deferred to the membership period to which they relate and are included in deferred revenue on the statement of financial position.

AU determined at December 31, 2024 there were no services provided without a contract in place and, therefore, has no expected adjustments to receivables and revenue. There were no receivables from contracts with customers. The contract liabilities from contracts with customers are included in deferred revenue on the statement of financial position are as follows:

Deferred revenue from contracts with customers at January 1, 2024	\$ 132,000
Deferred revenue from contracts with customers at December 31, 2024	100,000

AIDS United

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of the statement of cash flows, AU considers all highly liquid short-term debt instruments whose maturity dates do not extend past three months from the original date of purchase to be cash equivalents.

Investments

AU carries investments in marketable securities with readily determinable fair values at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

Grants Receivable

Grants receivable consist primarily of revenue from various government grants, contracts and fees and are stated at the amount management expects to collect. Based on management's assessment of the credit history with entities having outstanding balances and current relationships with AU, they have concluded that realized losses on balances outstanding at year-end will be immaterial.

Property and Equipment

Property and equipment are capitalized at cost or fair value at the date of the donation and are depreciated over their useful lives using the straight-line method. Estimated useful lives range from 3 to 7 years for office furniture and equipment, and over the lesser of 10 years or 10 months or the remaining term of the lease. AU considers property and equipment to be assets with a cost greater than \$5,000 and a useful life of greater than one year.

Right-of-use Assets and Lease Obligations

AU is the lessee in a noncancelable operating lease. If the contract provides AU the right to substantially all the economic benefits and the right to direct the use of the identified asset, it is considered to be or contain a lease. Right-of-use (ROU) assets and lease liabilities are recognized at the lease commencement date based on the present value of the future lease payments over the expected lease term. The ROU asset is also adjusted for any lease prepayments made, lease incentives received, and initial direct costs incurred. The lease liability is initially and subsequently recognized based on the present value of its future lease payments.

As the lease does not provide an implicit rate, AU uses the treasury bill rate for a term comparable to the life of the lease based on the information available at the commencement date to determine the present value of lease payments.

AIDS United

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Right-of-use Assets and Lease Obligations (Continued)

The ROU asset for operating leases is subsequently measured throughout the lease term at the amount of the remeasured lease liability (i.e., present value of the remaining lease payments), plus unamortized initial direct costs, plus (minus) any prepaid (accrued) lease payments, less the unamortized balance of lease incentives received, and any impairment recognized. For operating leases with lease payments that fluctuate over the lease term, the total lease costs are recognized on a straight-line basis over the lease term.

For all underlying classes of assets, AU has elected to not recognize ROU assets and lease liabilities for short-term leases that have a lease term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that AU is reasonably certain to exercise. Leases containing termination clauses in which either party may terminate the lease without cause and the notice period is less than 12 months are deemed short-term leases with lease costs included in short-term lease expense. AU recognizes short-term lease cost on a straight-line basis over the lease term.

AU made an accounting policy election to not separate the lease components of a contract and its associated non-lease components (i.e., lessor-provided maintenance and other services).

Fair Value Measurements

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an ordinary transaction between market participants at the measurement date. A three-tier hierarchy prioritizes the inputs used in measuring fair value. These tiers include Level 1, defined as observable inputs such as quoted market prices in active markets; Level 2, defined as inputs other than quoted market prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore, requiring an entity to develop its own assumptions. The asset's or liability's fair value measurement within the hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities and functional expenses. The statement of functional expenses presents expenses by both natural classification and by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Costs that can be identified with a particular program or support function are charged directly to that program or function. Salaries and related costs have been allocated among the programs and supporting services based upon timesheets prepared by the employees. Additionally, other costs like rent, depreciation, supplies, postage and telephone indirectly related to the programs or support services have been allocated among the programs and support services benefited based on the proportional share of the salaries of each program or supporting function.

AIDS United

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

Income Taxes

AU is exempt from the payment of income taxes on its exempt activities under Section 501(c)(3) of the Internal Revenue Code and is also exempt from the tax statutes of Washington, DC.

AU is required to assess whether it is more likely than not that a tax position will be sustained upon examination on the technical merits of the position assuming the taxing authority has full knowledge of all information. If the tax position does not meet the more likely than not recognition threshold, the benefit of that position is not recognized in the financial statements. AU has determined there are no amounts to record as assets or liabilities related to uncertain tax positions.

Subsequent Events

AU has evaluated subsequent events and transactions for potential recognition or disclosure in the financial statements through November 17, 2025, which is the date the financial statements were available to be issued.

Note 2: Concentration of Credit Risk

Financial instruments that potentially subject AU to credit risk consist principally of cash deposits in excess of insured limits in financial institutions. AU maintains its bank accounts at various financial institutions. Accounts at these institutions are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000. AU cash balances at times may exceed insured limits as designated by FDIC. Management has assessed the risk of potential loss due to these concentrations and feels that the risk is minimal.

Note 3: Restricted Cash

AU acts as a fiscal agent for three organizations. The revenue and expenses related to these activities are not included in these financial statements as these are determined to be agency transactions. As of December 31, 2024, the restricted cash balance and amount payable to these organizations was \$154,597.

AIDS United

Notes to Financial Statements

Note 4: Investments

AU carries investments in marketable securities with readily determinable fair values at their fair value in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities. AU uses the following prioritized input levels to measure fair value of investments. The input levels used for valuing investments are not necessarily an indication of risk.

Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets, such as stock quotes.

Level 2: Inputs other than Level 1 inputs that are directly or indirectly observable in the marketplace, such as yield curves or other market data.

Level 3: Unobservable inputs which reflect the reporting entity's assessment of the assumptions that market participants would use in pricing the asset or liability, including assumptions about risk, such as bid/ask spreads and liquidity discounts.

Investments using Level 1 inputs include equity mutual funds and are valued based on quoted prices for identical assets in active markets. Money market funds are valued at cost which approximates fair value

Investments at December 31, 2024 consist of the following:

Equity mutual fund, at fair value (Level 1)	\$ 1,076,180
Money market funds (Level 2)	1,608,007
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Totals	\$ 2,684,187

Note 5: Promises to Give

Promises to give as of December 31, 2024, are due as follows:

2025	\$ 1,710,000
2026	805,000
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Total	\$ 2,515,000

The discount on promises to give receivable in more than one year was not recorded as such a discount would not be material to the financial statements. A reserve for uncollectible amounts was deemed not necessary by management.

AIDS United

Notes to Financial Statements

Note 6: Property and Equipment

Property and equipment at December 31, 2024 consists of the following:

Office furniture and equipment	\$	152,010
Leasehold improvements		584,136
		736,146
Less: Accumulated depreciation		(736,146)
		0
Total property and equipment	\$	0

Note 7: Liquidity and Asset Availability

Financial assets available for general expenditure within one year are as follows, at December 31, 2024:

Cash and cash equivalents	\$	1,994,353
Investments		2,684,187
Promise to give		2,515,000
Grants receivable		1,131,030
		8,324,570
Less amounts unavailable within one year due to:		
Refundable advances		(410,964)
Donor-imposed restrictions		(5,010,184)
Board designations		(14,898)
		(5,436,046)
		2,888,524
Total	\$	2,888,524

As part of AU's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. When possible, AU invests cash received in advance for grant-funded projects in investment vehicles with terms aligned to the timing of expected spending for those projects.

Additionally, AU has a quasi-endowment of \$14,898 at December 31, 2024. Although AU does not intend to spend from its quasi-endowment other than amounts appropriated for general expenditure as part of its annual budget approval and appropriation process, amounts from its quasi-endowment could be made available if necessary.

AIDS United

Notes to Financial Statements

Note 8: Net Assets With Donor Restrictions

Net assets with donor restrictions at December 31, 2024, are dedicated to the following programs:

Perpetual in nature:	
Endowment related:	
David E. Rogers Innovation Fund	\$ 1,359,252
Total perpetual in nature	1,359,252
Purpose restricted:	
Endowment earnings	316,928
Southern Collaborative Fund	560,000
HIV and Aging	327,404
Melanated Movement	994,928
Transgender Leadership Institute	55,560
Harm Reduction Futures Fund	665,000
Decrim	131,112
Conexiones Positivas	600,000
Total purpose restricted	3,650,932
Total net assets with donor restrictions	\$ 5,010,184

Net assets released from restriction during the year ended December 31, 2024, consisted of the following:

Endowment appropriations	\$ 300,000
Southern Collaborative Fund	1,090,000
HIV and Aging	300,000
Melanated Movement	180,072
Transgender Leadership Institute	259,440
Net assets released from restrictions	\$ 2,129,512

AIDS United

Notes to Financial Statements

Note 9: Endowment

AU's endowments consist of three individual funds established to provide grants under terms of the grant agreements. The endowments include two donor-restricted endowment funds and a fund designated by the Board of Trustees to function as an endowment. As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of relevant law: In accordance with the Uniform Prudent Management of Institutional Funds Act (UPMIFA) of the state of Ohio, the Board of Trustees has interpreted UPMIFA as requiring the preservation of the fair value of the original gifts to the respective endowments for perpetuity, absent any donor stipulations to the contrary. Earnings on such funds are restricted in accordance with the purpose of the respective endowments. Earnings may also be restricted until the Board of Trustees appropriates such amounts for expenditure.

In accordance with UPMIFA, the organization considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- 1.The duration and preservation of the fund
- 2.The purposes of the organization and the donor-restricted endowment fund
- 3.General economic conditions
- 4.The possible effect of inflation and deflation
- 5.The expected total return from income and the appreciation of investments
- 6.Other resources of the organization
- 7.The investment policies of the organization

AU considers a fund to be underwater if the fair value of the fund is less than the sum of: (a) the original value of initial and subsequent gifts donated to the fund, and (b) any accumulations to the fund that are required to be maintained in perpetuity in accordance with the direction of the applicable donor gift instrument. AU has interpreted UPMIFA to permit spending from underwater funds in accordance with the prudent measures required under law.

Endowment returns objectives and risk parameters: AU has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment, while seeking to maintain purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the organization must hold in perpetuity or for a donor-specified period, as well as board-designated funds. Under this policy, as approved by the Board of Trustees, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. AU expects its endowment funds, over time, to provide an average rate of return of approximately 9% annually. Actual returns in any given year may vary from this amount.

Strategies employed for achieving objectives: To satisfy its long-term rate-of-return objectives, AU invests endowment funds with a very long-term view, using a disciplined and fully diverse investment strategy. AU seeks to match the overall growth in the stock market using cost effective Vanguard index funds, with performance measured using overall market benchmarks, rather than aggressively trying to outperform the market each year.

AIDS United

Notes to Financial Statements

Note 9: Endowment (Continued)

Endowment spending policy and how the investment objectives relate to spending policy: Each endowment fund at AU is fully invested in accordance with AU's investment policy guidelines and the investment models recommended by the donor who established the fund. When subsequent contributions are received into a fund, they are invested immediately. New donations contribute to the fund's total market value regardless of the fund's size. The amount available each year for grant making out of an endowment fund can be paid out as grants or reinvested in the fund, depending upon the type of fund.

A fund's distribution amount is determined annually by using two factors: the Spending Policy Rate (SPR), and the Blended Market Value (BMV). SPRs are established and reviewed regularly by AU's Investment Advisory Committee. SPRs are set at levels that enable distributions to grow over time, and also to hedge against the eroding effects of inflation. Currently, annual rates are set at 5% and do not include annual management and administration fees (which vary by fund type).

After January 1 of each year, AU multiplies the fund's Blended Market Value by appropriate SPR. The resulting figure becomes the available distribution amount for the current year. For example, 5% net SPR x \$10,000 BMV = \$500 distribution amount. Conceptually, BMV is a three-year trailing average of a fund's market value. AU's calculations serve to level market fluctuations and maintain relatively smooth distribution amounts.

An administration fee applies to all funds at AU and is based on the type of fund. The fee is used to offset operating and administrative expenses. An investment management fee applies to all invested funds at AU. This fee is used to offset AU's investment management expense.

If a fund has not achieved its minimum required contributions amount (typically \$10,000 within five years), the annual distribution amount will be reinvested automatically. By policy, all fund distributions and fees will be waived until the market value of the endowment fund exceeds 105% of the cumulative historical gift balance of the fund.

Changes in endowment net assets for the year ended December 31, 2024:

	With donor restrictions	Held in Perpetuity	Total
Endowment net assets at January 1, 2024	\$ 540,748	\$ 1,359,252	\$ 1,900,000
Investment return, net	76,180	-	76,180
Appropriation of endowment assets for expenditure	(300,000)	-	(300,000)
Endowment net assets at December, 2024	\$ 316,928	\$ 1,359,252	\$ 1,676,180

Note 10: Retirement Plan

AU sponsors a 403(b) defined contribution pension plan that covers all full-time employees who have completed one year of service and 1,000 hours during the plan year. The Board determines employer contributions annually. The Board approved contributions of 6% of each participant's salary for 2024. Employees are fully vested in the employer contributions. For the year ended December 31, 2024, pension expenses was \$206,394, and is included in salaries and benefits on the statement of functional expenses.

AIDS United

Notes to Financial Statements

Note 11: Leases

Office lease: AU entered into a non-cancelable lease agreement for its headquarters office space located at 1101 14th Street, NW, Washington, D.C. commencing August 1, 2017, and effective through May 31, 2028. The lease contains an escalation clause that adjusted annual base rentals, as well as certain rent abatements. If the lease is terminated before the 83rd month, AU, after satisfying conditions required in the lease agreement, would be subject to a termination fee of \$478,810. The lease also contains a tenant improvement allowance.

The components of lease expense for 2024 are as follows:

Operating lease	\$ 303,331
Total	\$ 303,331

Other information related to the operating lease is as follows:

Operating cash flows	\$ 336,681
Weighted average remaining lease term	3.42 years
Weighted average discount rate	2.84%

Future minimum lease payments are as follows:

	Office Lease
Years ending December 31:	
2025	\$ 345,098
2026	353,725
2027	362,569
2028	153,251
Total lease payments	1,214,643
Total present value discount	59,167
Total	\$ 1,155,476

AU signed a sublease agreement for the Washington, D.C. space with monthly payments of \$13,364, escalating at 4% per year. The sublease commenced September 15, 2022, and is to terminate on May 30, 2028.

AIDS United

Notes to Financial Statements

Note 11: Leases (Continued)

Future minimum sublease receipts are as follows:

	Office Lease
Years ending December 31:	
2025	\$ 182,800
2026	190,112
2027	197,716
2028	84,542
Total	\$ 655,170

Note 12: Concentration of Contributions or Grants

During the year ended December 31, 2024, AU earned approximately 72% of its grant revenue from one grantor and approximately 58% of its contribution revenue from one donor. If a substantial reduction in the level of this funding should occur, it may have a significant effect on AU's programs. As of December 31, 2024, AU had commitments for future funding under grant awards of approximately \$1,000,000. The revenue relating to these grants is not recognized in the accompanying financial statements as the revenue recognized is conditional on the incurrence of expenditures or the performance of services in the future.

Note 13: Government Funding

AU receives a significant portion of their source of funds from federal government funding. As such, AU is subject to the administrative directives, rules and regulations of federal regulatory agencies. Such administrative directives, rules and regulations are subject to change by an act of Congress or an administrative change mandated by a specific funding agency. Such changes may occur with little notice or inadequate funding to pay for related costs, including the additional administrative burden to comply with such changes.

Note 14: Prior Period Adjustments

The financial statements as of and for the year ended December 31, 2023, have been restated to correct an error that was detected during the audit for the year ended December 31, 2024.

In a previous fiscal year, AU entered into a fiscal sponsorship agreement with an unrelated organization and this activity was not properly recorded as an agency transaction relationship. To correct this error, funds held under agency agreements was increased by \$108,766 and beginning net assets without donor restrictions was reduced by this amount. The impact on the change in net assets without donor restrictions for the year ended December 31, 2023 would have been a decrease of \$108,766. In addition, a prior period adjustment of \$1,530,052 was made to properly accrue revenue on a federal grant, which resulted in an increase in beginning net assets without donor restrictions for this amount. The impact on the change in net assets without donor restrictions for the year ended December 31, 2023 would have been an increase of \$1,530,052.

Supplementary Information

AIDS UNITED
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the year ended December 31, 2024

Federal Grantor/Pass-Through Grantor	AL Number	Grant Number	Federal Expenditures	Payments to Subrecipient
U.S. Dept. of Health & Human Services				
Direct awards:				
Acquired Immunodeficiency Syndrom (AIDS) Activity	93.118	1 U62PS004991-01	\$ 473,666	\$ -
Total Expenditures AL #93.118			473,666	-
HIV-Related Training and Technical Assistance	93.145	1 U69HA53209-01-00	100,251	-
Direct award:				
Capacity Building Assistance (CBA) for High Impact HIV Prevention Passed-Through National Alliance of State and Territorial AIDS Directors (NASTAD):	93.834	6 NU65PS923678-05-01/NU65PS923678-01-02	520,705	-
Capacity Building Assistance (CBA) for High Impact HIV Prevention	93.834	23-SA-313105-443	27,112	-
Total Expenditures AL #93.834			547,817	-
Passed-Through Fenway Community Health Center, Inc.: Special Projects of National Significance	93.928	5 U90HA42153-04-05	5,570,942	4,642,129
Passed-Through University of Massachusetts: Special Projects of National Significance	93.928	4 U90HA39727-04-02	143,387	-
Total Expenditures AL #93.928			5,714,329	4,642,129
TOTAL FEDERAL EXPENDITURES			\$ 6,836,063	\$ 4,642,129

Notes to Schedule of Expenditures of Federal Awards

Note 1 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of AIDS United (the "Organization") under programs of the federal government for the year ended December 31, 2024. The information in this schedule is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the Organization, it is not intended to and does not present the financial position, changes in net assets or cash flows of the Organization.

Note 2 - Summary of Significant Accounting Policies

Expenditures reported on the Schedule are reported on the accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the Uniform guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through entity identifying numbers are presented where available.

Note 3 - Indirect Cost Allocation

The Organization has elected to use the 10-percent de minimis indirect cost rate.

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees
AIDS United
Washington, DC

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of AIDS United, (a nonprofit organization), 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, and have issued our report thereon dated November 17, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered AIDS United's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of AIDS United's internal control. Accordingly, we do not express an opinion on the effectiveness of AIDS United's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies in internal control, such that there is reasonable possibility that a material misstatement of AIDS United's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified a deficiency in internal control described in the accompanying schedule of findings and questioned costs as item 2024-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether AIDS United's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

AIDS United's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on AIDS United's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. AIDS United's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of AIDS United's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering AIDS United's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

The logo for Wipfli LLP is written in a cursive, handwritten-style font. The word "Wipfli" is in a larger, more prominent script, and "LLP" is in a smaller, simpler font to its right.

Wipfli LLP

Madison, Wisconsin

November 17, 2025

Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance

To the Board of Trustees
AIDS United
Washington, DC

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited AIDS United's compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2024. AIDS United's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, AIDS United complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of AIDS United and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of AIDS United's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to AIDS United's federal programs.

Auditor's Responsibility for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on AIDS United's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about AIDS United's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards* and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 AIDS United's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of AIDS United's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of AIDS United's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2024-001. Our opinion on the major federal program is not modified with respect to this matter.

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Government Auditing Standards requires the auditor to perform limited procedures on AIDS United's response to the noncompliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. AIDS United's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify a certain deficiency in internal control over compliance that we consider to be a material weakness.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2024-001 to be a material weakness.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on AIDS United's response to the noncompliance and internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. AIDS United's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

The logo for Wipfli LLP, featuring the company name in a stylized, handwritten-style font.

Wipfli LLP
Madison, Wisconsin

November 17, 2025

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AIDS United

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued on whether the financial statements were prepared in accordance with GAAP: Unmodified

Internal control over financial reporting:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Noncompliance material to financial statements noted? Yes No

Federal Awards

Internal control over major federal program:

- Material weakness(es) identified? Yes No
- Significant deficiency(ies) identified? Yes None Reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? Yes No

Identification of major program:

<u>AL Number</u>	<u>Federal Program or Cluster</u>
93.928	Special Projects of National Significance

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee? No

AIDS United

Schedule of Findings and Questioned Costs

Year Ended December 31, 2024

Section II - Financial Statement Findings

Finding Number: 2024-001

Repeat Finding: No

Type of Finding: Material Weakness in Internal Control over Financial Reporting

Description: Material Adjusting Journal Entries and Late Filing of Data Collection Form

Condition: During the audit, Wipfli LLP proposed several adjusting journal entries to properly record cash, investments, grants receivable, promises to give, funds held under agency agreements, grant revenue, and net assets which we deem to be material in relation to the financial statements. We noted that not all accounts were consistently reconciled on a timely basis and there is no indication that adjusting journal entries are consistently reviewed by someone other than the preparer. Since the internal controls of AIDS United did not detect and record the adjustments described above prior to the audit, a material weakness exists in AIDS United's internal controls over financial reporting and the preparation of the financial statements in accordance with accounting principles generally accepted in the United States (GAAP). Due to the issues described above, the audit was delayed and as a result the 2024 data collection form and reporting package was not submitted to the Federal Audit Clearinghouse in a timely manner.

Criteria: Internal controls are effective if they are properly designed and implemented to prevent or detect account misstatements prior to the audit. The Report Submission that is codified in 2 CFR Part 200.512 requires the auditee must submit the applicable data elements of the data collection form to the Federal Audit Clearinghouse within the earlier of 30 calendar days after receipt of the auditor's report or nine months after the end of the audit period.

Cause: The internal controls of the Organization were not effective in preventing or detecting and correcting the misstatements described above prior to the audit. The 2024 audit was not completed prior to the due date.

Effect: As a result of the financial reporting matter identified in the condition paragraph, a material weakness exists in the Organization's internal controls over financial reporting. The Organization was also not in compliance with audit submission requirements, resulting in nonmaterial noncompliance.

Recommendation: We recommend the Organization implement procedures, such as timely reconciling of accounts and review of all reconciliations and adjusting journal entries by someone other than the preparer, to provide sufficient internal control over financial reporting so all necessary transactions are recorded in accordance with GAAP. This will ensure timely completion of the audit and submission of the audit package to the Federal Audit Clearinghouse.

View of responsible officials: Management agrees with the finding and has committed to a corrective action plan.

AIDS United

Schedule of Findings and Questioned Costs (Continued)

Year Ended December 31, 2024

Section III - Federal Award Findings and Questioned Costs

Finding Number: 2024-001 - Represents a material weakness in internal control over compliance and nonmaterial noncompliance with AIDS United's major federal program

Repeat Finding: No

Questioned Costs: None

Major Program: AL#93.928 - Supporting Public Health Capacity

Section IV - Summary Schedule of Prior Year Findings

None