



International AIDS Society, Geneva

**Report of the Auditor
to the Governing Council
on the Consolidated Financial Statements**

Consolidated Financial Statements 31 December 2018



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Report of the Auditor to the Governing Council on the Consolidated Financial Statements of
International AIDS Society, Geneva

As auditor, we have been engaged to audit the accompanying consolidated financial statements of International AIDS Society, which comprise the consolidated balance sheet, consolidated income and expenditure account and notes for the year ended 31 December 2018.

Governing Council's Responsibility

The Governing Council is responsible for the preparation of the consolidated financial statements in accordance with the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error. The Governing Council is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the consolidated financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements for the year ended 31 December 2018 comply with Swiss law, the association's bylaws and are in accordance with the accounting policies described in note 2 of these consolidated financial statements.

Report on Other Legal Requirements

We confirm that we meet the legal requirements on licensing according to the Auditor Oversight Act (AOA) and independence (article 728 CO and article 11 AOA) and that there are no circumstances incompatible with our independence.

In accordance with article 728a paragraph 1 item 3 CO and Swiss Auditing Standard 890, we confirm that an internal control system exists, which has been designed for the preparation of financial statements according to the instructions of the board of association.

We recommend that the financial statements submitted to you be approved.

KPMG SA



Pierre-Henri Pigeon
*Licensed Audit Expert
Auditor in Charge*



Mohamed Amin Ben Saad
Licensed Audit Expert

Geneva, 29 May 2019

Enclosure:

Consolidated financial statements (consolidated balance sheet, consolidated income and expenditure account and notes)

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Consolidated Balance Sheet as at

December 31

(figures are stated in US\$)

	<i>Notes</i>	2018	2017
CURRENT ASSETS			
Cash & Cash Equivalents	3	16,934,470	13,981,923
Accounts Receivable	4	4,151,138	1,155,308
Other Receivable	4	151,811	87,706
Prepaid Expenses	5	2,152	19,850
		21,239,571	15,244,787
NON-CURRENT ASSETS			
Financial Assets		979,160	1,000,596
Equipment		43,422	44,614
TOTAL ASSETS		22,262,153	16,289,997
CURRENT LIABILITIES			
Accounts Payable	6	1,056,593	379,656
Other Payable	6	110,314	88,600
Accrued Expenses	7	616,849	585,704
Deferred Income	8	1,072,661	744,126
NON-CURRENT LIABILITIES			
Provision	9	25,500	25,500
Fund - Prize		20,736	20,736
Total Liabilities		2,902,653	1,844,322
FUNDS & RESERVES			
Restricted Funds			
Leadership & Scholarship Funds	10	819,872	730,096
TB/STI/WD		20,941	45,077
Educational Grant / EF Fellowship		833,320	394,571
The Lancet Commission		-	528,288
CIPHER		1,519,286	1,716,973
HIV CURE		107,149	71,817
DSD / M2		722,370	870,443
Youth Voices		106,966	19,505
ATC		60,679	30,737
VE		466,210	-
R4P (Transition)		451,810	-
IAC Revolving Fund	11	5,893,536	4,393,536
		11,002,139	8,801,042
Designated Funds			
AIDS 2018	12	-	-453,001
IAS 2019 / AIDS 2020		-786,914	-54,277
IAS Conference Revolving Fund	13	1,516,325	1,516,325
HIVR4P Conference Revolving Fund	14	1,500,000	-
General Reserve for AIDS2016 Follow up & AIDS2018	15	409,451	543,427
ILF & JIAS reserve		522,753	483,616
		3,161,615	2,036,091
Unrestricted Funds			
IAS Conference Institutional Memory & Admin RF	16	2,400,000	1,602,793
General IAS Reserve	17	2,795,746	2,005,749
		5,195,746	3,608,542
Total Funds & Reserves		19,359,500	14,445,675
TOTAL LIABILITIES, FUNDS & RESERVES		22,262,153	16,289,997

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Consolidated Income and Expenditure Account for the year ended December 31

(figures are stated in US\$)

	Notes	UNRESTRICTED		RESTRICTED		TOTAL	
		2018	2017	2018	2017	2018	2017
FUND BALANCE AT JANUARY 1		5,608,484	5,119,356	8,837,191	8,895,704	14,445,675	14,015,060
Revenues							
Conferences Income		-	-	9,656,584	5,015,196	9,656,584	5,015,196
Membership dues		377,617	404,006	-	-	377,617	404,006
Sponsors		363,670	372,500	5,300,315	4,476,793	5,663,985	4,849,293
Donors		-	1,000	5,899,264	1,785,526	5,899,264	1,786,526
Government		7,980	125,114	5,197,756	2,340,757	5,205,736	2,465,871
Others		398,483	405,086	627,313	171,671	1,025,796	576,757
TOTAL REVENUES		1,147,750	1,307,705	26,681,232	13,789,943	27,828,982	15,097,647
Expenses							
IAS Staff Salaries & Benefits		1,039,749	987,234	6,163,624	4,958,455	7,203,372	5,945,689
Legal fees		23,340	9,380	101,170	44,407	124,510	53,787
Consulting & Audit fees	20	611,428	474,009	5,728,466	2,651,826	6,339,884	3,125,835
Office Expenses		167,209	124,177	680,550	627,796	847,759	751,973
Travel Expenses		55,255	87,656	3,090,897	1,490,558	3,146,152	1,578,215
Governance Retreat, Strategic and Expenditure		107,882	146,175	130,654	116,242	238,536	262,417
Direct Expenses	21	50,720	17,205	2,245,929	1,276,615	2,296,649	1,293,820
Other Expenses		-	-	42,208	61,925	42,208	61,925
Subgrant		16,000	2,000	2,430,363	1,507,555	2,446,363	1,509,555
Amortization of Capital Expenses		9,852	7,001	29,557	28,005	39,409	35,007
Indirect Costs		-670,779	-448,014	670,779	448,014	-	-
TOTAL EXPENSES		1,410,656	1,406,825	21,314,186	13,211,398	22,724,842	14,618,223
OPERATING RESULT		-262,906	-99,119	5,367,046	578,545	5,104,140	479,425
Financial income		124,238	47,540	23,464	16,891	147,702	64,430
Financial expenses		-41,061	-47,104	-338,130	-98,398	-379,191	-145,503
Extraordinary, non-recurring or prior period income	19	41,172	32,259	-	-	41,172	32,259
Extraordinary, non-recurring or prior period expenses		-	-	-	-	-	-
SURPLUS / (DEFICIT) BEFORE ALLOCATION OF FUNDS		-138,556	-66,425	5,052,380	497,038	4,913,823	430,613
Allocation to unrestricted Funds		1,515,342	70,312	-1,515,342	-70,312	-	-
- IAS Conference Revolving Fund		-	485,239	-	-485,239	-	-
- IAS Institutional Memory Revolving Fund		797,207	-	-797,207	-	-	-
- Conference Surplus		952,346	-	-952,346	-	-	-
Result after Transfers		3,126,339	489,126	1,787,484	-58,513	4,913,822	430,613
FUND BALANCE AT DECEMBER 31		8,734,825	5,608,484	10,624,676	8,837,191	19,359,501	14,445,675

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Consolidated Income and Expenditure Account for the year ended December 31
(figures are stated in US\$)

UNRESTRICTED & DESIGNATED FUNDS

	Notes			Total		IAS		HIVR4P		IAS		Total		Total	
		IAS	ILF & HCC	JIAS	IAS	Conference Revolving Fund	Conference Revolving Fund	Institutional Memory Revol. Fund	2014-2018 Conference Surplus	Funds 2018	Funds 2017				
FUND BALANCE AT JANUARY 1		1,019,668	260,374	223,242	1,503,285	1,516,325	-	1,602,793	986,081	5,608,484	5,119,356	-	-	-	-
Revenues															
Conference Income		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Membership Dues		377,617	-	-	377,617	-	-	-	-	377,617	404,006	-	-	-	-
Sponsors		10,000	353,670	-	363,670	-	-	-	-	363,670	372,500	-	-	-	-
Donors		-	-	-	-	-	-	-	-	-	1,000	-	-	-	-
Government		7,980	-	-	7,980	-	-	-	-	7,980	125,114	-	-	-	-
Others	18	45,377	-	353,106	398,483	-	-	-	-	398,483	405,086	-	-	-	-
TOTAL REVENUES		440,974	353,670	353,106	1,147,750	-	-	-	-	1,147,750	1,307,705	-	-	-	-
Expenses															
IAS Staff Salaries & Benefits		618,752	123,813	297,183	1,039,749	-	-	-	-	1,039,749	987,234	-	-	-	-
Legal fees		22,411	-	929	23,340	-	-	-	-	23,340	9,380	-	-	-	-
Consulting & Audit fees		512,368.50	26,454	72,605	611,428	-	-	-	-	611,428	474,009	-	-	-	-
Office Expenses		166,214	287	708	167,209	-	-	-	-	167,209	124,177	-	-	-	-
Travel Expenses		29,685	22,733	2,837	55,255	-	-	-	-	55,255	87,656	-	-	-	-
Governance Retreat & Expenditure		107,296	586	-	107,882	-	-	-	-	107,882	146,175	-	-	-	-
Direct Expenses		12,867	35,638	2,215	50,720	-	-	-	-	50,720	17,205	-	-	-	-
Other Expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prizes / Subgrant / Outreach		-	16,000	-	16,000	-	-	-	-	16,000	2,000	-	-	-	-
Amortization of Capital Expenses		9,852	-	-	9,852	-	-	-	-	9,852	7,001	-	-	-	-
Indirect Costs		-752,548	33,827	47,942	-670,779	-	-	-	-	-670,779	-448,014	-	-	-	-
TOTAL EXPENSES		726,898	259,339	424,419	1,410,656	-	-	-	-	1,410,656	1,406,825	-	-	-	-
Financial income		124,238	-	-	124,238	-	-	-	-	124,238	47,540	-	-	-	-
Financial expenses		-41,061	-	-	-41,061	-	-	-	-	-41,061	-47,104	-	-	-	-
Extraordinary, non-recurring or prior period income	19	41,172	-	-	41,172	-	-	-	-	41,172	32,259	-	-	-	-
Extraordinary, non-recurring or prior period expenses		-	-	-	-	-	-	-	-	-	-	-	-	-	-
GROSS SURPLUS (-DEFICIT)		-161,574	94,331	-71,313	-138,556	-	-	-	-	-138,556	-66,425	-	-	-	-
Transfer to Unrestricted Funds		-777	16,119	-	15,342	-	1,500,000	-	-	1,515,342	70,312	-	-	-	-
- IAS Conference Revolving Fund		-	-	-	-	-	-	-	-	-	485,239	-	-	-	-
- IAC Revolving Fund		-	-	-	-	-	-	-	-	-	-	-	-	-	-
- IAS Institutional Memory Revolving Fund		-	-	-	-	-	-	797,207	-	797,207	-	-	-	-	-
- Future IAC Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-
- AIDS2016 follow up Reserve		-	-	-	-	-	-	-	-	-	-	-	-	-	-
- Conference Surplus		404,684	-	-	404,684	-	-	-	547,662	952,346	-	-	-	-	-
Result after Transfers		242,333	110,450	-71,313	281,470	-	1,500,000	797,207	547,662	3,126,339	489,126	-	-	-	-
FUND BALANCE AT DECEMBER 31	17	1,262,003	370,825	151,929	1,784,757	1,516,325	1,500,000	2,400,000	1,533,743	8,734,825	5,608,484	-	-	-	-

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Consolidated Income and Expenditure Account for the year ended December 31
RESTRICTED FUNDS

(figures are stated in US\$)

Notes	CONFERENCES							IAC Revolving Fund	Future conference & follow up reserves	SUBTOTAL	
	Leadership	Scholarship	AIDS2018	IAS2019	AIDS2020	R4P (transition)	TB/STI/WD			2018	2017
FUND BALANCE AT JANUARY 1	54,135	675,961	-453,001	-46,824	-7,453	-	45,077	4,393,536	543,427	5,204,858	5,614,807
Revenues											
Conferences Income			9,583,642	72,942	-	-	-			9,656,584	5,015,196
Membership Dues			-	-	-	-	-			-	-
Sponsors			1,675,775	10,000	-	98,810	50,000			1,834,585	1,281,500
Donors			1,262,859	-	-	2,075,946	100,000			3,438,805	32,725
Government			4,669,236	-	-	-	165,870			4,835,106	2,216,127
Others		89,776	380,911	-	-	156,626	-			627,313	171,671
TOTAL REVENUES	-	89,776	17,572,423	82,942	-	2,331,382	315,870	-		20,392,393	8,717,219
Expenses											
IAS Staff Salaries & Benefits			4,176,096	173,541	87,291	287,971	98,180			4,823,079	3,829,250
Legal fees			56,032	21,123	5,453	15,500	-			98,108	43,140
Consulting & Audit fees			4,631,806	36,194	53,100	5,863	53,145			4,780,108	1,949,246
Office Expenses			609,115	62,903	1,985	-	-			674,003	620,969
Travel Expenses			2,029,738	22,380	62,577	30,150	48,288			2,193,133	606,097
Governance			85,032	4,105	4,535	8,375	-			102,047	81,075
Direct Expenses			1,625,947	260,694	-	-	64,101			1,950,742	989,545
Other Expenses			42,208	-	-	-	-			42,208	61,925
Prizes / Subgrant / Outreach			404,550	-	15,000	-	25,000			444,550	195,714
Amortization of Capital Expenses			26,404	3,153	-	-	-			29,557	28,005
Indirect Cost			-	-	-	31,713	35,173			66,886	19,211
TOTAL EXPENSES	-	-	13,686,928	584,093	229,941	379,572	323,887	-		15,204,421	8,424,178
Financial income			23,464	-	-	-	-			23,464	16,891
Financial expenses			-336,406	-1,479	-66	-	-			-337,951	-98,068
Extraordinary, non-recurring or prior period income			-	-	-	-	-			-	-
Extraordinary, non-recurring or prior period expenses			-	-	-	-	-			-	-
GROSS SURPLUS (-DEFICIT)	-	89,776	3,572,554	-502,630	-230,007	1,951,810	-8,017	-		4,873,486	211,863
Transfer to Unrestricted & Designated Funds						-1,500,000	-16,119			-1,516,119	-
- IAS Conference Revolving Fund										-	-485,239
- IAC Revolving Fund	11		-1,500,000					1,500,000		-	-
- IAS Institutional Memory Revolving Fund			-797,207							-797,207	-
- Future IAC Reserve	15		130,000						-130,000	-	-
- AIDS2016 follow up Reserve			-						-3,976	-3,976	-136,573
- Conference Surplus	17		-952,346							-952,346	-
Result after Transfers		89,776	453,001	-502,630	-230,007	451,810	-24,136	1,500,000	-133,976	1,603,838	-409,949
FUND BALANCE AT DECEMBER 31	54,135	765,737	-0	-549,454	-237,460	451,810	20,941	5,893,536	409,451	6,808,695	5,204,858

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Consolidated Income and Expenditure Account for the year ended December 31
RESTRICTED FUNDS

(figures are stated in US\$)

	PROGRAMMES										SUBTOTAL	
	Educational Fund	EF - Fellowship	The Lancet Commission	HIV CSS	CIPHER	HIV Cure	DSD / M2	Youth Voices	ATC	VE	2 018	2 017
	FUND BALANCE AT JANUARY 1	373,814	20,756	528,288	-	1,716,973	71,817	870,443	19,505	30,737	-	3,632,333
Revenues												
Conferences Income	-	-	-	-	-	-	-	-	-	-	-	-
Membership Dues	-	-	-	-	-	-	-	-	-	-	-	-
Sponsors	909,477	410,180	-	-	1,596,330	169,037	-	255,412	125,294	-	3,465,730	3,195,293
Donors	-	-	-117,033	133,018	88,230	5,000	1,333,208	-	28,200	989,836	2,460,459	1,752,801
Government	275,000	-	-	-	24,000	63,650	-	-	-	-	362,650	124,630
Others	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL REVENUES	1,184,477	410,180	-117,033	133,018	1,708,560	237,687	1,333,208	255,412	153,494	989,836	6,288,839	5,072,725
Expenses												
IAS Staff Salaries & Benefits	215,181	55,009	38,033	13,235	384,595	67,053	308,218	80,167	1,665	177,389	1,340,545	1,129,205
Legal fees	-	3,062	-	-	-	-	-	-	-	-	3,062	1,267
Consulting & Audit fees	137,573	8,116	16,137	575	126,954	22,347	308,256	4,528	52,800	271,062	948,348	702,580
Office Expenses	1,881	-	-	1,186	1,270	-	1,968	36	-	206	6,547	6,828
Travel Expenses	383,938	18,273	32,776	29,395	130,117	77,071	163,488	1,348	45,690	15,668	897,764	884,461
Governance	9,314	-	8,135	740	343	10,075	-	-	-	-	28,607	35,166
Direct Expenses	121,380	2,027	35,654	37,244	45,342	1,179	32,988	-	7,281	12,091	295,187	287,069
Other Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Prizes / Subgrant / Outreach	-	74,850	223,000	37,136	1,060,453	2,000	520,974	67,400	-	-	1,985,813	1,311,841
Amortization of Capital Expenses	-	-	-	-	-	-	-	-	-	-	-	-
Indirect Cost	104,760	20,544	59,496	14,284	157,173	22,628	145,210	16,472	16,115	47,210	603,893	428,803
TOTAL EXPENSES	974,027	181,881	413,231	133,795	1,906,247	202,354	1,481,102	169,951	123,551	523,626	6,109,765	4,787,220
Financial income	-	-	-	-	-	-	-	-	-	-	-	-
Financial expenses	-	-	-	-	-	-	-180	-	-	-	-180	-330
Extraordinary, non-recurring or prior period income	-	-	-	-	-	-	-	-	-	-	-	-
Extraordinary, non-recurring or prior period expenses	-	-	-	-	-	-	-	-	-	-	-	-
GROSS SURPLUS (-DEFICIT)	210,450	228,299	-530,264	-777	-197,687	35,333	-148,074	85,461	29,943	466,210	178,894	285,175
Transfer to Unrestricted & Designated Funds				777							777	-70,312
- IAS Conference Revolving Fund											-	-
- IAC Revolving Fund											-	-
- IAS Institutional Memory Revolving Fund											-	-
- Future IAC Reserve											-	-
- AIDS2016 follow up Reserve			1,976					2,000			3,976	136,573
- Conference Surplus											-	-
Result after Transfers	210,450	228,299	-528,288	-	-197,687	35,333	-148,074	87,461	29,943	466,210	183,647	351,435
FUND BALANCE AT DECEMBER 31	584,264	249,055	-	-	1,519,286	107,149	722,370	106,966	60,680	466,210	3,815,980	3,632,333

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Cash Flow statements as at **December 31**
 (figures are stated in US\$)

Consolidated Cash Flow Statement	Note	2018	2017
CASH FLOW FROM OPERATING ACTIVITIES			
Net Operating Surplus		4,913,823	430,613
Depreciation of Fixed assets		39,408	35,006
(Increase) Decrease in accrued income		-	-
(Increase) Decrease in receivables		(3,059,935)	(919,775)
(Increase) Decrease in prepaid expenses		17,698	(18,318)
(Increase) Decrease in deferred expenditures		-	-
Increase (Decrease) in creditors		729,796	(596,106)
Increase (Decrease) in deferred income		328,535	(92,169)
Increase (Decrease) in non-current liabilities		-	1,000
(Gain) / Loss on financial assets		21,438	2,710
CASH FLOW FROM OPERATING ACTIVITIES		2,990,763	-1,157,039
CASH FLOW FROM INVESTING ACTIVITIES			
Purchase of fixed assets		(39,152)	(60,711)
Disposal of fixed assets		934	1,981
Purchase of financial assets		-	(1,003,306)
Disposal of financial assets		-	-
CASH FLOW FROM INVESTING ACTIVITIES		(38,218)	(1,062,036)
Cash and Deposits - beginning of year		13,981,923	16,200,996
Increase (Decrease) in Cash & Deposits		2,952,547	(2,219,074)
Cash and Deposits - end of year		16,934,470	13,981,923
Changes in Cash and Deposits		2,952,547	(2,164,938)



A. PRINCIPLES

1 Organisation

International AIDS Society (the Society) was founded in 1988 and transferred from Stockholm, Sweden to Geneva, Switzerland in June 2004, in the form of an association.

With its headquarters in Geneva, and fifty eight staff members (2017: fifty two), the Society is recognized under Swiss law as an international, non-governmental, non-profit organization. The Society is exempt from Swiss corporate taxation.

These statements include all transactions of the IAS local entities formed in connection with IAC Conferences.

2 Significant Accounting Policies

The significant accounting policies are set out below:

a) *Basis of Preparation and Statement of Compliance*

The consolidated financial statements of the Society have been prepared on a basis consistent with its statutes and that complies with the accounting regulations of the Society and the provisions of the new Swiss Law regarding accounting and financial reporting.

The Society's accounting policies and the format used for the presentation of its financial statements are designed to present accurately the conferences, programmes, and other activities of the Society.

The financial statements are presented in US Dollars (rounded to the nearest dollar), as the majority of the Society's activities is conducted in this currency.

b) *Recognition of Income*

Current Conference & final year HIV Programmes

Conference income, project management fees, donors, sponsors and other restricted income are recognized when paid and when revenues are realizable.

Future Conferences & ongoing HIV Programmes

Conference income, project management fees, donors, sponsors and other restricted income are recognized when paid.

Core

Unrestricted revenue from donors is recognized over the contract period.

Membership income, sponsorship fees from ILF and other income from JIAS are recognized in the period to which it relates.

Membership income, sponsorship fees from ILF and other income from JIAS for future periods, which are received in advance, are deferred in the balance sheet.

c) *Recognition of Expenditure*

Payments to third parties are recognized when the commitment to pay has been made before the end of the year and the payment relates to the current year, and when there is either a legal or a constructive obligation to pay.

d) *Foreign Currency*

Transactions in currencies other than US Dollars are converted into US Dollars at rates that approximate the actual rates at the transaction date. Realized and unrealized exchange differences are reported in the income and expenditure account.

e) *Equipment*

Purchases of equipment are capitalized and then depreciated on a straight-line basis over 3 years.

f) *Financial Assets*

First disclosure in 2017 at purchase value.

A provision for depreciation of the financial assets is set aside when their value as determined at the close becomes less than their book value.

g) *Restricted and Designated Reserves*

Restricted and designated reserves represent the excess of income over expenditures since IAS's inception. Restricted reserves are available to IAS for future project funding costs. However should these funds not be expensed in line with donor requirements and underspend would be returned to the donor and would not be available to support general organisational activity.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018



B. INFORMATION ON BALANCE SHEET AND INCOME AND EXPENDITURE ACCOUNT ITEMS

		2018	2017
3 Cash and Cash equivalents	US\$	16,934,470	13,981,923
Petty Cash	US\$	31,376	10,599
Bank accounts - current accounts	US\$	11,793,638	8,863,583
deposits	US\$	5,109,456	5,107,741
4 Accounts Receivable	US\$	4,151,138	1,155,308
Conference: Various Sponsors & Donors			
<i>NIH</i>	US\$	1,000,000	651,729
<i>ANRS</i>	US\$	134,000	434,000
<i>Other</i>	US\$	790,289	-
Programmes: Various Sponsors & Donors	US\$	2,226,849	69,579
Other receivable:	US\$	151,811	87,706
Swiss VAT	US\$	54,671	14,842
Withholding tax	US\$	21,810	9,386
Foreign VAT (FR & NL)	US\$	75,219	54,002
Other	US\$	111	9,476
5 Prepaid Expenses	US\$	2,152	19,850
Other Prepaid	US\$	2,152	19,850
6 Accounts Payable	US\$	1,056,593	379,655
Payable - Amsterdam	US\$	297,879	-
Payable - Paris	US\$	436	32,116
Payable - Durban	US\$	132,907	132,907
Payable - Previous Conference	US\$	-	11,000
Payable - Non Conference	US\$	625,371	203,632
Other payable :	US\$	110,314	88,600
VAT Payable (CH-NL-SA)	US\$	110,314	88,600
7 Accrued Expenses	US\$	616,849	585,704
Social Expenses	US\$	432,369	422,896
Accrued Conferences expenses	US\$	137,665	128,120
Other accrued expenses	US\$	46,815	34,688
8 Deferred Income	US\$	1,072,661	744,126
Membership income			
- Current	US\$	404,603	350,420
- Non-Current	US\$	421,237	282,129
ILF, JIAS, Mabele Prize	US\$	246,821	111,577
9 Provision	US\$	25,500	25,500
Provision for office restoration at end of lease term			

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018



	2018	2017
10 Restricted Funds		
All figures are in relation to funds received and reserved, whose use is restricted for specific programmes or projects.		
11 IAC Revolving Fund	US\$ 5,893,536	4,393,536
In accordance with the distribution policy regarding surplus/deficit at the IAC Conference, the IAS Governing Council has decided to set aside funds for future costs in the event of a cancelled or postponed conference or one with a reduced number of paid registrations.		
12 Designated Funds		
Reserves of money with the designation that it will be used for specific programmes or project. Concerning future Conferences, the negative amount of US\$ \$786,914 reflects expenditures that have yet to be covered by the income from the future conference.		
13 IAS Conference Revolving Fund	US\$ 1,516,325	1,516,325
In accordance with the distribution policy regarding surplus/deficit at the IAS Conference, the IAS Governing Council has decided to set aside funds for future costs in the event of a cancelled or postponed conference or one with a reduced number of paid registrations.		
IAS2017 Conference Surplus	US\$ -	485,239
14 HIVR4P Conference Revolving Fund	US\$ 1,500,000	-
In 2018, the IAS Governing Council agreed with the Board of the Global HIV Vaccine Enterprise (GHVE) to host the operations of the Enterprise. In this regard, GHVE transferred its asset to IAS in order to continue the Program, which is including convening and hosting future biennial HIVR4P conferences.		
15 General Reserve for Future Conference & Follow up	US\$ 409,451	543,427
As approved by the EC in December 2016 and March 2017, the surplus generated from AIDS2016 conference will be allocated as follows		
AIDS2018 Support to Global Village	US\$ (250,000)	-
AIDS2018 Support to reduce lower fee level for l&mi countries	US\$ (180,000)	-
AIDS2016 follow up by IAS following years	US\$ (3,976)	(136,573)
AIDS2020 Support dual location costs	US\$ 300,000	-
16 IAS Conference Institut'l Memory and Administration Revolving Fund	US\$ 2,400,000	1,602,793
In June 2013, the IAS Governing Council has decided to create a third fund to support the Secretariat that will jointly serve the two conferences in the event of a cancelled or postponed conference or one with a reduced number of paid registrations.		
from AIDS2018 Conference	797,207	-
17 General Reserve (including conference surplus reserve)	US\$ 2,795,746	2,005,749
Conference Surplus	US\$ 257,347	70,312
RMS, ICT roadmap, cyber security assessment expenses	US\$ (373,744)	(96,617)
RMS (Membership and Volunteer platforms)	US\$ 280,000	-
Governance Review	US\$ 160,000	-
Governance Review (Phase 1)	US\$ (30,940)	-
JIAS & Generation Now!	US\$ 255,000	-
IAS Core activities Surplus / (Deficit)	US\$ 243,110	26,139
HIV Programmes Surplus / (Deficit)	US\$ (777)	-
18 Other unrestricted revenues	US\$ 398,483	405,086
Other	US\$ 45,377	41,354
JIAS Income	US\$ 353,106	363,732

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2018



19 Extraordinary, non-recurring or prior period income	US\$	41,172	32,259
Dissolution of previous year reserves	US\$	8,189	28,236
Other prior period income	US\$	32,983	4,023
20 Consulting and audit fees	US\$	6,339,884	3,125,835
Conference consulting fees	US\$	6,256,884	3,017,705
Statutory audit fees	US\$	53,000	50,000
Non-audit services	US\$	30,000	58,130
21 Direct expenses	US\$	2,296,649	1,293,820
Logistics (venue rental, exhibition, setup, AV, etc.) & Meeting Costs	US\$	1,422,244	950,110
Scholarships (registrations & per diem)	US\$	645,189	155,526
Programme & Programme activities	US\$	75,438	66,608
Secretariat (Incl. I/T)	US\$	45,775	45,569
Communications & Fundraising	US\$	16,338	17,563
Insurances, start up and other financial costs	US\$	91,665	58,445

C. OTHER INFORMATION

22 Credit Agreement	US\$	113,348	113,903
CHF 111,125 is under the guarantee of UBS AG represents a deposit surety for the office rental blocked for the Fondation Des Immeubles pour les Organisations Internationales (FIPOI)			

23 Residual amount of lease obligations	US\$	1,756,584	2,214,621
The maturity of rental obligations of IAS Geneva offices which have a residual maturity of more than 12 months or which can not be cancelled within the next 12 months is as follows			
Up to 1 year	US\$	547,507	526,246
Between 1-5 years	US\$	1,209,078	1,688,374
More than 5 years	US\$	-	-

24 Pensions scheme liabilities	US\$	202,498	189,555
These pension schemes liabilities are included in the balance sheet position under "Accrued Expenses"			

25 Full-time equivalents	FTE	58	52
The annual average number of full time equivalents for the reporting year exceeds 50, as well as previous year average			

26 Significant events after the balance sheet date

No events occurred subsequent to 31 December 2018 which could have a material impact on the understanding of these financial statements



**23rd International AIDS Conference
(AIDS 2018)
Amsterdam, 23 - 27 July 2018**

**Report of the Auditor
to the Governing Council of the
International AIDS Society on the
Statement of Income and Expenditures**



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Report of the Auditor to the Governing Council of the International AIDS Society
23rd International AIDS Conference, (AIDS 2018) Amsterdam, 23 - 27 July 2018

As auditor, we have been engaged to audit the accompanying statement of income and expenditures of the 23rd International AIDS Conference held in Amsterdam, on 23 July - 27 July 2018, which comprise the statement of income and expenditure, and the explanatory notes.

Governing Council's Responsibility

The Governing Council is responsible for the preparation of the statement of income and expenditures in accordance with the requirements of Swiss law. This responsibility includes designing, implementing and maintaining an internal control system relevant to the preparation of statement of income and expenditures that are free from material misstatement, whether due to fraud or error. The Governing Council is further responsible for selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on this statement of income and expenditures based on our audit. We conducted our audit in accordance with Swiss law and Swiss Auditing Standards. Those standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the statement of income and expenditures. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the statement of income and expenditures, whether due to fraud or error. In making those risk assessments, the auditor considers the internal control system relevant to the entity's preparation of the statement of income and expenditures in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control system. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made, as well as evaluating the overall presentation of the statement of income and expenditures. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



*23rd International AIDS Conference,
Amsterdam, Netherlands, 23 - 27 July 2018
Report of the Auditor to the Governing Council of the
International AIDS Society on the
Statement of Income and Expenditures*

Opinion

In our opinion, the statement of income and expenditures in relation with the 23rd International AIDS Conference held in Amsterdam on 23 July - 27 July 2018, complies with Swiss law, the association's bylaws and is in accordance with the accounting policies described in note 2 to the financial statements of the International AIDS Society for the year ended 31 December 2018.

KPMG SA



Pierre Henri Pigeon
*Licensed Audit Expert
Auditor in Charge*



Mohamed Amin Ben Saad
Licensed Audit Expert

Geneva, 29 May 2019

Enclosure:

Statement of income and expenditures (income statement and explanatory notes)



23rd INTERNATIONAL AIDS CONFERENCE (AIDS 2018)
23-27 July 2018, Amsterdam, the Netherlands

Final Statement of Income & Expenditures
(Figures are stated in US\$)

Notes		Approved Budget	Actuals
Income			
2	SPONSORS AND DONORS	8,514,303	8,646,341
	EXHIBITIONS & SATELLITES	3,393,175	3,556,579
3	REGISTRATION FEES	6,361,750	6,375,702
4	OTHER REVENUES	818,932	814,411
TOTAL INCOME		19,088,160	19,393,034
Expenditures			
5	LOGISTICS	3,418,790	3,208,129
	EXHIBITIONS & SATELLITES COSTS	258,000	257,283
6	SCHOLARSHIPS	2,193,933	2,184,363
	PROGRAMME	1,329,582	1,216,912
	PROGRAMME ACTIVITIES	410,500	377,415
7	IAS CONFERENCE SECRETARIAT	2,465,156	2,516,454
	IT	864,815	842,843
	COMMUNICATIONS	1,216,000	1,320,006
	EVALUATION + STRATEGY & PLANNING	377,500	377,009
	FUNDRAISING	566,000	583,992
8	REVOLVING FUND	1,500,000	1,500,000
9	GOVERNANCE	141,000	144,939
	AUDIT / FINANCE	597,500	603,077
10	VARIOUS FINANCIAL COSTS	947,000	1,023,024
11	START-UP COSTS	67,817	67,817
	AUDIO VISUAL	1,142,080	1,120,219
TOTAL EXPENDITURES		17,495,673	17,343,482
12	ALLOCATION TO AIDS 2020	300,000	300,000
12	ALLOCATION TO IM&A RF	397,000	797,206
12	ALLOCATION TO GR	695,000	695,000
SubTotal Surplus / (Deficit)		200,487	257,346



23rd INTERNATIONAL AIDS CONFERENCE (AIDS 2018)
23-27 July 2018, Amsterdam, the Netherlands

Explanatory Notes to the Final Statement of Income and Expenditures

1 Basis of preparation

The statement of income and expenditure was prepared in accordance with the accounting policies specified in the notes of the International AIDS Society in Geneva.

The statement of income is based on the actual information available as of 31 March 2019.

The "approved budget" figures in the left column reflects the last budget accepted by the IAS Governing Council on 3 December 2018.

2 Donors & Sponsors

Major donors & sponsors for AIDS 2018 included:

Donors

AFEW International
Agence de recherche ANRS (France Recherche Nord & Sud Sida-HIV Hépatites)
Bill & Melinda Gates Foundation
Canada - Global Affairs Canada
Canada – Public Health Agency of Canada
City of Amsterdam
Conrad N. Hilton Foundation
Elton John AIDS Foundation
Ford Foundation
Government of Flanders
Luxembourg - Ministry of Foreign and European Affairs
MAC AIDS Fund
National Postcode Lottery of the Netherlands
OPEC Fund for International Development
Open Society Foundations
The Global Fund to Fight AIDS, Tuberculosis and Malaria
The Joint United Nations Programme on HIV/AIDS (UNAIDS)
The Netherlands - Ministry of Foreign Affairs
The Netherlands - Ministry of Health, Welfare and Sport
U.S. National Cancer Institute
U.S. National Institute of Allergy and Infectious Diseases
U.S. National Institute on Aging
U.S. National Institute on Drug Abuse
U.S. National Institutes of Health - Office of the Director
United Nations Children's Fund (UNICEF)
United Nations Development Programme (UNDP)
World Health Organization (WHO)

Major Industry Sponsors

Gilead Sciences
Janssen Pharmaceutical
Merck Sharp & Dohme
Mylan
ViiV Healthcare

Corporate Sponsors

Aurobindo
Chevron
Hetero Labs

A full list can be obtained from the conference secretariat.



23rd INTERNATIONAL AIDS CONFERENCE (AIDS 2018)
23-27 July 2018, Amsterdam, the Netherlands

Explanatory Notes to the Final Statement of Income and Expenditures

3 Registration fees

The income from registration fees is based on the total number of paid registrations of 9,917 (AIDS 2016, Durban: 9,300) less the voluntary delegate contributions mentioned hereunder.

<u>Paid Registration:</u>	AIDS 2018		AIDS 2016	
Fully paying registrations:				
- High Income Countries delegates	4,518	8,424	2,734	7,772
- UM, LM and Low Income Countries	3,906		5,038	
Day passes		161		494
Students		867		747
Exhibitors		87		89
Accompanying Persons and Children		378		198
Total paid registrations:		9,917		9,300
<u>Non-paid registrations:</u>				
Media		680		775
Free Registrations (including scholarship recipients, volunteers and staff)		5,028		5,370
Voluntary delegate contributions to:				
- Memberships "IAS"		\$ 513,675		\$ 346,276
- Co-organizers		\$ 48,600		\$ 73,275
- Scholarships		\$ 89,775		\$ 65,100

4 Other revenues

Other sources of revenue include hotel commission

5 Logistics

The main expenditures incurred for the Logistics are as follows:

	AIDS 2018	AIDS 2016
	\$ 3,208,129	\$ 2,934,622
Facilities (rent, signage, security, delegates transportation and set up of venue)	1,971,213	1,807,811
On Site and Logistic Personnel (staff, hostesses, consultants, interpreters and volunteers)	803,534	646,161
Fees to PCO (MCI Amsterdam B.V, the Netherlands) for: <i>project management, registration and exhibition handling</i>	264,468	316,930
Printed material (Invitation, Final Prog., Abstract Book, etc)	38,141	41,495
Bags and Badges	64,153	66,425
Travel, logistic staff	17,204	28,227
Refreshment, technical, postage, etc	49,415	27,573

6 Scholarships

These figures include scholarships recipients and speakers as per the main details bringing 1,121 delegates and 117 speakers (AIDS 2016: 1,323 scholarships and 61 speakers) to the conference mainly from developing countries:

	\$ 2,184,363	\$ 1,900,320
Travel	1,195,188	1,024,309
Accommodation & per diem	396,361	266,025
Registration fees	482,000	481,966
Handling	110,814	128,020



23rd INTERNATIONAL AIDS CONFERENCE (AIDS 2018)
23-27 July 2018, Amsterdam, the Netherlands

Explanatory Notes to the Final Statement of Income and Expenditures

7	IAS Conference Secretariat (Geneva)	\$ 2,516,454	\$ 2,490,446
	Staff	1,383,189	1,260,409
	Office costs	889,710	748,025
	Travel	186,254	431,436
	Legal services	40,799	33,366
	Consulting fees	16,501	17,210
8	Revolving Fund	\$ 1,500,000	\$ 1,000,000
	In accordance with the distribution policy regarding surplus/deficit at the IAS Conference, the IAS Governing Council has decided to set aside funds for future costs in the event of a cancelled or postponed conference or one with a reduced number of paid registrations.		
9	Governance		
	This cost includes committee meetings and travel expenses for the elected committee members.		
10	Various Financial Costs		
	The various financial costs include:	\$ 1,023,024	\$ 1,047,743
	Foreign exchange (Gain) / Loss	168,604	121,116
	Bank & credit cards fees	116,356	104,924
	Service importation / VAT interest	42,208	130,759
	Insurances	79,666	82,184
	Outreach / Partners	606,435	562,500
	Charity Program	9,757	46,260
11	Start-up Costs	\$ 67,817	\$ 360,752
	These costs include all expenses associated with initial negotiations and pre-planning meetings with the local host and co-organizers, initial promotion and marketing expenses, and all travel and other expenses incurred until the official conference organizing committee meeting, where the first budget was accepted.		
12	General IAS Reserve for Future Conference & core projects	\$ 1,792,206	\$ 1,260,000
	As approved by the GC in December 2018, the surplus generated by the AIDS 2018 Conference will be allocated as follows:		
	AIDS2020 to support the next dual location conference in San Francisco and Oakland	\$ 300,000	
	Programmes endowment & review	\$ 415,000	
	RMS project concerning Membership, Volunteers and Fundraising platforms	\$ 280,000	
	Replenishment of IM&A Revolving Fund	\$ 797,206	