



The San Francisco AIDS Foundation

(A California Nonprofit Public Benefit Corporation)

Report on Financial Statements

**June 30, 2007 (with Summarized Comparative
Information as of June 30, 2006)**

The San Francisco AIDS Foundation
(A California Nonprofit Public Benefit Corporation)
Table of Contents
June 30, 2007
(with Summarized Comparative Information as of June 30, 2006)

	Page(s)
Report of Independent Auditors	1
Financial Statements	
Statement of Financial Position	2
Statement of Activities.....	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6–13

Report of Independent Auditors

The Board of Directors of
The San Francisco AIDS Foundation

In our opinion, the accompanying statement of financial position and the related statements of activities, cash flows, and expenses by function present fairly, in all material respects, the financial position of The San Francisco AIDS Foundation (“the Foundation”) at June 30, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Foundation’s management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Foundation’s 2006 financial statements, and in our report dated September 1, 2006, we expressed an unqualified opinion on those financial statements. We conducted our audit of these statements in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

PricewaterhouseCoopers LLP

October 22, 2007

The San Francisco AIDS Foundation

(A California Nonprofit Public Benefit Corporation)

Statement of Financial Position

June 30, 2007

(with Summarized Comparative Information as of June 30, 2006)

	<u>2007</u>	<u>2006</u>
Assets		
Cash	\$ 1,238,414	\$ 1,547,044
Accounts receivable	1,782,710	1,312,735
Contributions receivable, net	672,309	579,621
Investments	12,151,084	10,295,865
Prepaid expenses	341,434	457,363
Security deposits and other assets	240,385	258,690
Property and equipment, net	637,281	257,808
Total assets	<u>\$ 17,063,617</u>	<u>\$ 14,709,126</u>
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 1,557,817	\$ 1,527,090
Accrued payroll and related liabilities	725,326	635,108
Grants payable	3,075,224	2,439,202
Refundable advances	189,003	169,090
Capital lease obligations	112,232	119,222
Total liabilities	<u>5,659,602</u>	<u>4,889,712</u>
Commitments and contingencies (Note 8)		
Net Assets		
Unrestricted	10,983,930	9,405,320
Temporarily restricted	19,667	13,676
Permanently restricted	400,418	400,418
Total net assets	<u>11,404,015</u>	<u>9,819,414</u>
Total liabilities and net assets	<u>\$ 17,063,617</u>	<u>\$ 14,709,126</u>

The accompanying notes are an integral part of these financial statements.

The San Francisco AIDS Foundation
(A California Nonprofit Public Benefit Corporation)
Statement of Activities
Year Ended June 30, 2007
(with Summarized Comparative Information as of June 30, 2006)

	June 30, 2007			June 30,
	Unrestricted	Temporarily Restricted	Permanently Restricted	2006 Total
Public and government support				
Government grants	\$ 5,652,553	\$ 10,833	\$ -	\$ 5,663,386
Contributions and grants				
Individuals	1,950,404	2,155	-	1,952,559
Corporations and foundations	256,463	240,500	-	496,963
Donated goods and services	178,665	-	-	178,665
Total	8,038,085	253,488	-	8,291,573
Special events	14,017,037	-	-	14,017,037
Less: Special event expenses	(1,648,118)	-	-	(1,648,118)
Net income from special events	12,368,919	-	-	12,368,919
Net assets released from restrictions	269,604	(269,604)	-	-
Total public and government support	20,676,608	(16,116)	-	20,660,492
Revenues and gains				
Net realized and unrealized gains				
on investments	398,054	2,250	-	400,304
Investment income	583,654	19,857	-	603,511
Service revenues	217,299	-	-	217,299
Other	237,479	-	-	237,479
Total public and government support, revenues and gains	22,113,094	5,991	-	22,119,085
Expenses				
Program services	13,607,978	-	-	13,607,978
Support services	1,271,833	-	-	1,271,833
Fund development	5,654,673	-	-	5,654,673
Total expenses	20,534,484	-	-	20,534,484
Increase in net assets	1,578,610	5,991	-	1,584,601
Net assets, beginning of year	9,405,320	13,676	400,418	9,819,414
Net assets, end of year	\$ 10,983,930	\$ 19,667	\$ 400,418	\$ 11,404,015
				\$ 9,819,414

The accompanying notes are an integral part of these financial statements.

The San Francisco AIDS Foundation

(A California Nonprofit Public Benefit Corporation)

Statement of Functional Expenses

Year Ended June 30, 2007

(with Summarized Comparative Information as of June 30, 2006)

	Program Services						Support Services	Fund Development	Total 2007 Expenses	Total 2006 Expenses
	Client Services and Treatment Education	Housing Services	Public Policy	Prevention and Community Level Intervention	Global Treatment Access	Total Program Services				
Expense										
Salaries and employee benefits	\$ 1,389,115	\$ 452,601	\$ 810,148	\$ 1,568,119	\$ 344,775	\$ 4,564,758	\$ 571,413	\$ 1,535,493	\$ 6,671,664	\$ 5,892,107
Professional and technical fees and dues	277,209	55,856	160,906	322,354	115,321	931,646	305,681	761,855	1,999,182	1,689,462
Outreach and promotion	45,553	16,622	27,139	160,778	39,278	289,370	18,703	327,966	636,039	544,652
Event production	138,620	2,855	5,709	296,773	108,605	552,562	-	948,880	1,501,442	1,376,034
Postage and distribution	76,578	5,766	2,834	26,236	31,157	142,571	3,016	737,902	883,489	810,968
Staff and volunteer development and travel	61,447	20,839	89,955	79,089	24,671	276,001	63,683	140,132	479,816	379,637
Printing and materials production	92,743	8,877	19,233	534,944	39,072	694,869	7,605	340,704	1,043,178	885,857
Housing subsidies	-	2,413,434	-	-	-	2,413,434	-	-	2,413,434	2,425,370
Community grants	523,782	73,320	116,519	349,806	1,017,705	2,081,132	-	-	2,081,132	4,691,798
Subcontractor services	585,615	-	-	-	-	585,615	-	-	585,615	569,339
Occupancy	216,521	40,174	54,764	187,867	64,469	563,795	117,560	242,838	924,193	794,331
Operations	102,053	35,449	39,886	125,545	30,847	333,780	119,205	491,802	944,787	782,153
Depreciation and amortization	36,841	10,738	14,508	40,103	5,564	107,754	37,281	46,813	191,848	179,934
Donated professional volunteer services	7,052	3,462	5,273	7,784	4,314	27,885	27,686	21,838	77,409	88,535
Donated goods	11,847	9,689	4,054	11,829	5,387	42,806	-	58,450	101,256	49,675
	<u>\$ 3,564,976</u>	<u>\$ 3,149,682</u>	<u>\$ 1,350,928</u>	<u>\$ 3,711,227</u>	<u>\$ 1,831,165</u>	<u>\$ 13,607,978</u>	<u>\$ 1,271,833</u>	<u>\$ 5,654,673</u>	<u>\$ 20,534,484</u>	<u>\$ 21,159,852</u>

The accompanying notes are an integral part of these financial statements.

The San Francisco AIDS Foundation
(A California Nonprofit Public Benefit Corporation)
Statement of Cash Flows
Year Ended June 30, 2007
(with Summarized Comparative Information as of June 30, 2006)

	<u>2007</u>	<u>2006</u>
Cash flows from operating activities		
Increase in net assets from operations	\$ 1,584,601	\$ 2,656,376
Gain on settlement of capital lease obligation	(5,170)	-
Depreciation and amortization	191,848	179,934
Net realized and unrealized gains on investments	(400,304)	(76,022)
Adjustment to reconcile change in net assets to net cash provided by operating activities		
Contributions restricted for investment in endowment	-	(400,418)
Changes in operating assets and liabilities		
Accounts receivable	(469,975)	247,593
Contributions receivable, net	(92,688)	(409,634)
Prepaid expenses	115,929	19,105
Security deposits and other assets	18,305	34,036
Accounts payable and accrued expenses	30,727	220,837
Accrued payroll and related liabilities	90,218	90,166
Grants payable	636,022	(84,904)
Refundable advances	19,913	(4,537)
Net cash provided by operating activities	<u>1,719,426</u>	<u>2,472,532</u>
Cash flows from investing activities		
Capital expenditures	(534,595)	(153,307)
Purchase of investments	(9,144,897)	(4,238,128)
Proceeds from sales of investments	7,689,982	2,061,185
Net cash used in investing activities	<u>(1,989,510)</u>	<u>(2,330,250)</u>
Cash flows from financing activities		
Payments on capital leases	(38,546)	(34,049)
Net cash used in financing activities	<u>(38,546)</u>	<u>(34,049)</u>
Net (decrease) increase in cash	(308,630)	108,233
Cash, beginning of year	<u>1,547,044</u>	<u>1,438,811</u>
Cash, end of year	<u>\$ 1,238,414</u>	<u>\$ 1,547,044</u>
Supplemental disclosures of cash flow information		
Interest paid	\$ 26,657	\$ 31,036
Donated professional services	77,409	88,535
Donated goods	101,256	49,675
Contributed securities	-	400,418
Capital asset acquired through capital lease obligation	36,726	-

The accompanying notes are an integral part of these financial statements.

The San Francisco AIDS Foundation
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
June 30, 2007

1. Organization and Related Party Transactions

The San Francisco AIDS Foundation (“the Foundation”) is a non-profit entity. Committed to ending the pandemic and human suffering caused by HIV, the Foundation develops innovative solutions, combining evidence-based strategies with community experience to fight HIV/AIDS and promote health. Established in 1982, the Foundation provides direct services to thousands of people living with or at risk for HIV/AIDS, supplies information about HIV treatment and related issues, supports HIV prevention and awareness in the community, and advocates for sound HIV/AIDS policies at all levels of government.

Client Services

The Foundation works to improve the quality of life for people living with HIV and to reduce the number of infections that occur each year through a variety of programs.

The **Client Services Department** delivers a range of services to hundreds of people living with HIV in San Francisco annually. Highly skilled client advocates provide information referrals to essential community support services and medical care, and advocacy to help clients negotiate the complex set of issues related to HIV and AIDS.

Financial benefits counselors help individuals understand and link into the private and public benefits systems, including the AIDS Drug Assistance Program, General Assistance, Food Stamps, Medi-Cal, Medicare, Social Security and private disability plans.

The Foundation's **housing subsidy program** provides rental assistance to more than 375 people. Through the work of our client advocates and the clients themselves, more than 95% of these individuals remain in clean, stable housing.

Community Level Intervention

Black Brothers Esteem promotes the sexual health and well-being of African-American gay and same-gender loving men – from HIV to the challenges of poverty, substance use, homophobia and racism – through a weekly drop-in group, leadership training retreats, and other community-building activities.

The **HIV Prevention Project** provides more than 2.3 million syringes annually, helping thousands of exchangers and their partners avoid HIV infection and Hepatitis C. Staff and volunteers, nurses, and drug treatment counselors offer free, anonymous exchange and other vital services at various San Francisco locations.

The **Speed Project** works with gay and bisexual men who use crystal methamphetamine. Through education, peer support and alternative social activities, the Speed Project helps them see the connections between methamphetamine use and their sexual health and well-being.

El Grupo is one of the longest running bilingual support groups for Latinos living with HIV in the nation. Open to all HIV-positive Latino/as and their families, El Grupo creates a safe forum to share information on managing HIV and reducing isolation and stigma.

The San Francisco AIDS Foundation
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
June 30, 2007

Education and Information

The Foundation is a leader in educating at-risk communities about HIV/AIDS prevention and in connecting thousands of people to the critical information they need to make informed decisions about HIV-related risk and health.

The **California HIV/AIDS Hotline** (800-367-AIDS) is a toll-free anonymous and confidential hotline answering approximately 70,000 calls a year from across the state.

The AIDS Foundation's treatment publication, **BETA** (*Bulletin of Experimental Treatments for AIDS*), provides in-depth treatment information and news on the latest advances in HIV care. *BETA* is published twice annually in English and Spanish.

In addition to **www.sfaf.org**, the Foundation maintains several other **websites** that provide a range of information about HIV/AIDS issues and the activities of the Foundation. These include **www.aidshotline.org**, **www.aidslifecycle.org**, and **www.pgaf.org**.

Advocacy and Public Policy Efforts

The Foundation advocates at the federal, state and local levels to ensure that hundreds of thousands of people affected by HIV and AIDS have access to care, treatment, housing and prevention services, and that they benefit from related research.

The Foundation's **Science and Public Policy Department** plays a leading role in securing federal, state and local government funding for crucial HIV/AIDS-related programs. Public policy staff members also work to ensure passage of sound HIV/AIDS policies and legislation.

The **HIV Advocacy Network** organizes and mobilizes AIDS advocates, service providers, and people living with HIV/AIDS to advocate for effective AIDS policies.

Global HIV/AIDS Programs

Pangaea Global AIDS Foundation ("Pangaea") is a non-profit corporation and affiliate of the Foundation. Pangaea's mission is to broaden access to HIV/AIDS antiretroviral treatment and care around the world, with special emphasis on resource-limited settings. Since its founding in 2001, Pangaea has played a significant role in developing and implementing HIV treatment access initiatives in several countries. Pangaea is governed by its own Board of Directors and is not considered to be part of the Foundation's reporting entity because the Foundation has neither control nor an economic interest in Pangaea.

During the year ended June 30, 2007, the Foundation granted to Pangaea grants totaling \$1,017,705 to support Pangaea's treatment access projects. Pangaea paid technical assistance fees of \$217,299 to the Foundation. As of June 30, 2007, the Foundation had grants payable to Pangaea of \$2,405,224.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America applicable to nonprofit organizations. Accordingly, net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions.

The San Francisco AIDS Foundation
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
June 30, 2007

Summarized Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a full presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with Foundation's consolidated financial statements for the year ended June 30, 2006, from which the summarized information was derived.

The net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted

The Foundation receives contributions from corporations, charitable organizations and individuals. Such contributions are recorded when received or unconditionally promised and considered to be available for general support of the Foundation's operations unless specifically restricted by the donor. In addition, unrestricted net assets include income from investments without donor restrictions.

Temporarily Restricted

Temporarily restricted net assets relate primarily to contributions whose use by the Foundation is limited by donor-imposed stipulations with respect to time and/or purpose that can be fulfilled by actions of the Foundation pursuant to those stipulations.

Permanently Restricted

Permanently restricted net assets are subject to donors' restrictions requiring that the principal be invested in perpetuity for the purpose of producing investment income and appreciation that may be spent according to donor-imposed stipulations for prevention and treatment education.

Revenue Recognition

Contributions are recognized in the financial statements as revenue when received or unconditionally promised. The Foundation reports gifts of cash and other assets as temporarily restricted support if such gifts are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported as net assets released from restriction. Temporarily restricted contributions are reported as temporarily restricted support and net assets released from restriction when the restriction is met in the same year as the contribution is received.

Government and other contract revenue is recognized in accordance with the terms of the contract which is generally when the related expenditures are incurred.

Investments

All debt securities and equity securities with readily determinable fair values are carried at estimated fair value based on quoted market prices. Investments also include cash equivalents consisting of all highly liquid investments purchased with maturities of ninety days or less at the time of acquisition and held for long-term investment purposes. Investments received through gifts are recorded at estimated fair value at the date of donation. Gains and losses that result from market fluctuations are recognized in the period such fluctuations occur. Realized gains or losses resulting from sales or maturities are calculated on an adjusted cost basis. Adjusted cost is the estimated fair value of the security at the beginning of the year, or the cost if purchased during the year. Dividend and interest income are accrued when earned.

The San Francisco AIDS Foundation
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
June 30, 2007

Property and Equipment

Property and equipment are presented in the financial statements at acquisition cost or, in the case of donated property, at estimated fair value at the date of gift. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets, which have been determined to be three to five years from the date of acquisition or donation for all equipment. Leasehold improvements are depreciated over the remaining term of three years related to the property lease.

When assets are sold or otherwise disposed, the cost and related accumulated depreciation are removed from the accounts and the resulting gain or loss is reflected in the statement of activities.

Refundable Advances

Refundable advances represents funds which have been received from grants or contracts that are considered to be exchange transactions. These funds are for security deposits that relate to the Foundation's housing services program.

Capital Leases

Capital leases are recorded as an asset and an obligation at the fair market value of the leased property at the inception of the lease.

Government Support

Grant support from contracts with government agencies is recognized as the related services are provided and reflected as government grants support in the accompanying statement of activities. Payments under such contracts are received on a cost-reimbursement basis. Any billed contract receivables are included in accounts receivable as of June 30, 2007.

Special Events

Special events support consists primarily of proceeds from the AIDS Lifecycle, AIDS Walk San Francisco, AIDS Marathon events, and Leadership Recognition Dinner. Special event expenses represent the costs incurred by the Foundation which directly benefit the participants in the Foundation's special events.

Contributions of Services

Contributions of services are recognized in the financial statements when received if such services (a) create or enhance non-financial assets or (b) require specialized skills, are provided by individuals possessing those skills, and (c) would typically need to be purchased if not donated. A substantial number of volunteers have donated significant amounts of time in the Foundation's program services and fund-raising activities that are not recognized in the financial statements. The value of such donated volunteer services received is estimated to be \$838,651 for the year ended June 30, 2007, based on volunteer time records and estimated hourly compensation rates. The value of such donated volunteer services has not been recognized in the accompanying financial statements because such volunteer services do not meet the above criteria.

Functional Expense Allocations

Expenses, such as personnel, professional services, occupancy costs, travel, depreciation and amortization, are allocated among program services, support and fund development classifications based on occupancy and employee ratios and on estimates made by the Foundation's management.

Allocation of Costs of Joint Activities

Costs of joint activities that are identifiable with a particular function are charged to that function and joint costs are allocated between fund development and the appropriate program or management and general function. Joint costs of \$3,922,921 were incurred by the Foundation for program and community grant expense for the year ended June 30, 2007. Of this amount \$2,847,042 was allocated to fund development and \$1,075,879 was allocated to program services.

The San Francisco AIDS Foundation
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
June 30, 2007

Use of Estimates

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

Concentrations of Credit Risk

Financial instruments which potentially subject the Foundation to credit risk consist primarily of cash and cash equivalents and investments. The Foundation maintains cash and cash equivalents, and investments with various major financial institutions. At times, such amounts may exceed FDIC limits. The Foundation manages credit risk by establishing minimum credit standards for financial institutions and limiting the amount of credit exposure with any one institution. The Foundation's investments have been placed with banking institutions and investment managers. The Foundation closely monitors these investments and to date, has not experienced significant losses.

3. Investments

The Foundation's investments consisted of the following as of June 30, 2007:

Equity securities	\$ 4,415,291
Corporate debt securities	631,072
Taxable municipals	2,950,000
U.S. Treasury bills	360,263
U.S. government and agency securities	1,623,239
Cash equivalents	<u>2,171,219</u>
	<u>\$ 12,151,084</u>

4. Contributions Receivable

Contributions receivable are due as of June 30, 2007. Such contribution receivables have no implied time or purpose restriction and are expected to be collected in the subsequent fiscal year. This amount is stated net of an allowance for doubtful accounts of \$30,414.

5. Property and Equipment

Property and equipment at June 30, 2007 is summarized as follows:

Equipment	\$ 1,789,077
Furniture and fixtures	251,279
Leasehold improvements	163,340
Vehicles	<u>51,958</u>
	2,255,654
Accumulated depreciation and amortization	<u>(1,618,373)</u>
	<u>\$ 637,281</u>

Depreciation and amortization expense for the year ended June 30, 2007 was \$191,848.

The San Francisco AIDS Foundation
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
June 30, 2007

Leased capital assets included in property and equipment at June 30, 2007 totaled \$183,744 less accumulated depreciation of \$148,615.

6. Temporarily and Permanently Restricted Net Assets and Net Assets Released from Restrictions

Temporarily restricted net assets were available for the following purposes as of June 30, 2007:

Support for prevention, outreach and other related services	<u>\$ 19,667</u>
Total temporarily restricted net assets	<u>\$ 19,667</u>

Temporarily restricted net assets were released from donor restrictions by incurring expenses satisfying the restricted purposes or by occurrence of other events specified by donors as follows during the year ended June 30, 2007:

Support for prevention, outreach, education and other related services	187,104
Production and distribution of treatment education materials such as BETA and Spanish BETA	20,000
Public policy initiative support for people living with HIV	<u>62,500</u>
Total net assets released from restrictions	<u>\$ 269,604</u>

As of June 30, 2007, permanently restricted net assets are restricted to investment in perpetuity, the income of which is expendable to support:

Prevention and treatment education	<u>\$ 400,418</u>
	<u>\$ 400,418</u>

7. Income Tax Status

The Foundation has received determination letters from the Internal Revenue Service and the State of California indicating that the Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code of 1954, as amended, and the Revenue and Taxation Code of the State of California, respectively. Accordingly, no provision for income taxes has been made in the accompanying financial statements.

8. Commitments and Contingencies

Operating Leases

The Foundation leases office space under an operating lease agreement which expires in December 2010. At the expiration of the lease term, the Foundation has options to extend the facility lease for an additional three-year period. The Foundation leases additional space used in operations under various operating leases. Each of the leases are subject to various terms of agreement. Rent expense for the year ended June 30, 2007 was \$805,560.

The San Francisco AIDS Foundation
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
June 30, 2007

Future minimum lease payments under these leases are as follows:

Year Ended June 30,	
2008	\$ 826,156
2009	816,279
2010	800,593
2011	451,546
2012	67,433
Thereafter	-
	<u>\$ 2,962,007</u>

Capital Leases

The Foundation also leases office equipment under various capital lease agreements which expire within two to six years. Future minimum lease payments under these leases are as follows:

Year Ended June 30,	
2008	\$ 65,556
2009	56,796
2010	12,996
2011	12,996
2012	12,996
Thereafter	6,498
Total minimum lease payments	<u>167,838</u>
Less: Amount representing interest	<u>(55,606)</u>
	<u>\$ 112,232</u>

Other

Amounts received and expended by the Foundation under federal and state funded programs are subject to audit by oversight governmental agencies. The Foundation's management believes that potential adjustments, if any, resulting from such audits will not have a significant effect on the Foundation's financial position or results of activities.

9. Defined Contribution Retirement Plan

The Foundation has a defined contribution retirement plan ("Plan") under Section 403(b) of the Internal Revenue Code. The Plan covers all full-time employees of the Foundation and provides for voluntary salary deferrals up to certain amounts. The Foundation contributed \$16,597 to the Plan during the year ended June 30, 2007. Employer contributions, if any, are at the discretion of the management of the Foundation.

The San Francisco AIDS Foundation
(A California Nonprofit Public Benefit Corporation)
Notes to Financial Statements
June 30, 2007

10. Subsequent Events

On July 1, 2007, the Foundation acquired two programs from the University of California San Francisco. Magnet, a community based HIV and STD testing clinic serves approximately 4,500 clients per year. Stonewall, a community based substance abuse counseling program serves nearly 300 clients per year. Both organizations receive federal and city funding totaling approximately \$1.3 million annually. These organizations' program goals and objectives match those of the Foundation's programs and its overall objective of ending the pandemic and human suffering caused by HIV.