

**International Gay and Lesbian Human Rights  
Commission, Inc.**

**Financial Report**

**June 30, 2011**

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**Independent Auditors' Report**

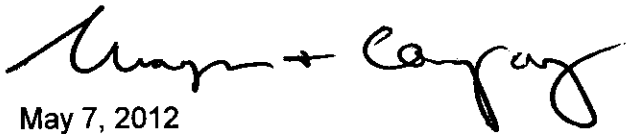
To the Board of Directors of  
**International Gay and Lesbian Human Rights Commission, Inc.**

We have audited the accompanying statement of financial position of International Gay and Lesbian Human Rights Commission, Inc. ("IGLHRC"), a not-for-profit organization, as of June 30, 2011 and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of IGLHRC'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 IGLHRC's June 30, 2010 financial statements and, in our report dated January 25, 2011, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of International Gay and Lesbian Human Rights Commission, Inc. as of June 30, 2011, 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.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on page 13 is presented for the purposes of additional analysis and is not a required part of the basic 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 basic 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 auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in black ink, appearing to read "Mayer + Company", is written over the date.

May 7, 2012

**INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION, INC.**  
**Statement of Financial Position**  
**As of June 30, 2011**

	<u>2011</u>	<u>2010</u>
		(for comparative purposes only)
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 987,847	\$ 1,388,344
Accounts receivable	9,131	20,748
Grants and contributions receivable	624,333	544,136
Prepaid expenses	<u>7,779</u>	<u>22,341</u>
Total current assets	1,629,090	1,975,569
Grants and contributions receivable, net	695,981	983,004
Property and equipment, net	19,499	22,090
Security deposit	<u>29,134</u>	<u>28,234</u>
Total assets	<u>\$ 2,373,704</u>	<u>\$ 3,008,897</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 172,692	\$ 130,749
Contract advances	<u>151,502</u>	<u>157,176</u>
Total liabilities	<u>324,194</u>	<u>287,925</u>
<b>NET ASSETS</b>		
Unrestricted:		
Board designated - general program	400,000	400,000
Undesignated	<u>167,393</u>	<u>146,863</u>
Total unrestricted net assets	567,393	546,863
Temporarily restricted	1,463,763	2,155,755
Permanently restricted	<u>18,354</u>	<u>18,354</u>
Total net assets	<u>2,049,510</u>	<u>2,720,972</u>
Total liabilities and net assets	<u>\$ 2,373,704</u>	<u>\$ 3,008,897</u>

See independent auditors' report.

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

**INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION, INC.**

**Statement of Activities**

**For the Year Ended June 30, 2011**

	Unrestricted	Temporarily Restricted	Permanently Restricted	2011 Total	2010 Total
					(for comparative purposes only)
<b>REVENUES AND SUPPORT</b>					
Grants and contributions	\$ 468,898	\$ 655,139	\$ -	\$ 1,124,037	\$ 1,980,428
Contract services	326,828	-	-	326,828	143,495
Special events:					
Special event revenue	99,870	-	-	99,870	82,971
Less: Costs of direct benefits to donors	(34,680)	-	-	(34,680)	(48,596)
Investment income	4,901	-	-	4,901	1,715
Foreign exchange gains and losses	-	-	-	-	227
Other Income	12,040	-	-	12,040	9,394
	<u>877,857</u>	<u>655,139</u>	<u>-</u>	<u>1,532,996</u>	<u>2,169,634</u>
Net assets released from restrictions:					
Satisfaction of program restrictions	321,292	(321,292)	-	-	-
Satisfaction of time restrictions	1,025,839	(1,025,839)	-	-	-
Total revenues and support	<u>2,224,988</u>	<u>(691,992)</u>	<u>-</u>	<u>1,532,996</u>	<u>2,169,634</u>
<b>EXPENSES</b>					
Program services	1,689,662	-	-	1,689,662	1,687,432
Supporting services:					
Management and general	293,944	-	-	293,944	290,980
Fundraising	220,852	-	-	220,852	240,820
Total expenses	<u>2,204,458</u>	<u>-</u>	<u>-</u>	<u>2,204,458</u>	<u>2,219,232</u>
Change in net assets	20,530	(691,992)	-	(671,462)	(49,598)
Net assets, beginning of the year	546,863	2,155,755	18,354	2,720,972	2,770,570
Net assets, end of year	<u>\$ 567,393</u>	<u>\$ 1,463,763</u>	<u>\$ 18,354</u>	<u>\$ 2,049,510</u>	<u>\$ 2,720,972</u>

See independent auditors' report.  
The accompanying notes are an integral part of these financial statements.

**INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION, INC.**  
**Statement of Cash Flows**  
**For the Year Ended June 30, 2011**

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	<u>2011</u>	<u>2010</u>
		(for comparative purposes only)
Cash flows from operating activities:		
Change in net assets	\$ (671,462)	\$ (49,598)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	11,622	10,775
Changes in operating assets and liabilities:		
Decrease (increase) in accounts receivable	11,617	(2,588)
Decrease (increase) in grants and contributions receivable	206,826	(179,949)
Decrease (increase) in prepaid expenses	14,562	(35)
Increase in accounts payable and accrued expenses	41,944	39,234
(Decrease) increase in contract advances	(5,674)	157,176
(Increase) in security deposit	(900)	-
	<u>(391,465)</u>	<u>(24,985)</u>
Net cash (used in) operating activities	(391,465)	(24,985)
Cash flows from investing activities:		
Purchase of property and equipment	(9,032)	(6,797)
	<u>(9,032)</u>	<u>(6,797)</u>
Net cash (used in) investing activities	(9,032)	(6,797)
Net (decrease) in cash and cash equivalents	(400,497)	(31,782)
Cash and cash equivalents, beginning of year	<u>1,388,344</u>	<u>1,420,126</u>
Cash and cash equivalents, end of year	<u>\$ 987,847</u>	<u>\$ 1,388,344</u>

*See independent auditors' report.*

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

# **INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION, INC.**

## **Notes to Financial Statements**

**June 30, 2011**

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### **1. ORGANIZATION**

International Gay and Lesbian Human Rights Commission, Inc. ("IGLHRC") was incorporated in 1991 as a U.S.-based not-for-profit organization headquartered in New York City with offices located in Buenos Aires, Argentina and Johannesburg, South Africa. The mission of IGLHRC is to secure the full enjoyment of the human rights of all people and communities subject to discrimination or abuse on the basis of sexual orientation or expression, and/or HIV/AIDS status. IGLHRC actively fosters partnerships with local, national and international activists and organizations to further this mission through advocacy, documentation, coalition building, public education, training and technical assistance.

For Federal income tax purposes, IGLHRC is classified as a 501(c)(3) organization and is exempt under Section 501(a)(1) of the Internal Revenue Code and a similar provision of the New York State income tax laws.

### **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of IGLHRC have been prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America. The significant accounting policies are described below.

#### **Basis of Presentation**

The net assets of IGLHRC are reported as follows:

##### Unrestricted

Unrestricted net assets are net assets that are neither permanently restricted nor temporarily restricted by donor-imposed stipulations and are available for the general operations of the IGLHRC.

The Board-designated quasi-endowment net assets include resources that have been designated by the Board of Directors to function as endowments and consist of amounts held in a reserve for operating contingencies. Any portion of the quasi-endowment may be expended upon approval of the Board of Directors. Investment income from these net assets supports the current operations of IGLHRC. The balance in Board designated net assets as of June 30, 2011 was \$400,000.



**INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS  
COMMISSION, INC.**  
**Notes to Financial Statements**  
**June 30, 2011**

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Temporarily Restricted

Temporarily restricted net assets include gifts of cash and other assets received with donor-imposed stipulations that will be met either by actions of IGLHRC and/or the passage of time.

Contributions with donor-imposed restrictions are reported as increases in temporarily restricted net assets and are reclassified to unrestricted net assets when purpose or time restrictions are met, and recorded in the accompanying financial statements as net assets released from restrictions.

Permanently Restricted

Permanently restricted net assets include funds that have been restricted by donors to be held in perpetuity. IGLHRC had permanently restricted net assets of \$18,354.

**Cash and Cash Equivalents**

IGLHRC considers all highly liquid debt instruments purchased with an original maturity of three months or less to be cash equivalents.

**Grants and Contributions**

IGLHRC records contributions and grants, both cash and in-kind, when an unconditional promise to give such assets is received from a donor. Contributions and grants are recorded at the fair market value of the assets received and are classified as either unrestricted, temporarily restricted, or permanently restricted, depending on whether the donor has imposed a restriction on the use of such assets.

Contributions and grants receivable that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on these amounts are computed using a risk-free interest rate determined in the year in which the contribution originates. Amortization of the discount is included in contribution revenue.

**Contract Revenue**

Revenue from government and other contracts is recognized when reimbursable expenses are incurred under the terms of the respective contracts. Contract payments in excess of qualified expenses are accounted for as contract advances.

**INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS  
COMMISSION, INC.**  
**Notes to Financial Statements**  
**June 30, 2011**

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**Donated Services**

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the organization.

**Property and Equipment**

International Gay and Lesbian Human Rights Commission, Inc. capitalizes property and equipment with a cost or fair value exceeding \$1,000 and a useful life of more than one year. Depreciation of property and equipment is provided on the straight-line method over the expected useful lives of the assets as follows:

Property and equipment	3-5 years
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**Functional Expense Allocations**

The costs of providing the various programs and other activities of IGLHRC have been summarized on a functional basis in the accompanying statements of activities. Accordingly, certain costs have been allocated among the programs and supporting service benefited. Such allocations are determined by management in accordance with grant provisions and/or other equitable basis.

**Income Taxes**

IGLHRC adopted Accounting Standards Codification ("ASC") 740 "Income Taxes." ASC 740 requires that a tax position be recognized or derecognized based on a "more likely than not" threshold. This applies to positions taken or expected to be taken in a tax return. The adoption of this guidance did not have an impact on IGLHRC's financial statements, as management believes that there are no uncertain tax positions within its financial statements. IGLHRC has processes presently in place to ensure the maintenance of its tax-exempt status; to identify and report unrelated income; determine its filing and tax obligations in jurisdictions for which it was nexus; and to review other matters that may be considered tax positions.

**Concentrations of Credit Risk**

Financial instruments that potentially subject IGLHRC to concentrations of credit risk consist primarily of cash and cash equivalents. IGLHRC maintains cash and cash equivalent balances in various bank accounts that, at times, may exceed federally insured limits. IGLHRC's cash accounts were placed with high credit quality financial institutions. IGLHRC has not experienced, nor does it anticipate, any losses in such accounts.

**INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS  
COMMISSION, INC.**  
**Notes to Financial Statements**  
**June 30, 2011**

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**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

**Reclassifications**

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

**3. GRANTS AND CONTRIBUTIONS RECEIVABLE**

Grants and contributions receivable at June 30, 2011 consisted of current promises to give which are collectible as follows:

One year or less	\$ 624,333
One to seven years, net of present value discount of \$28,199 (5% risk-free rate of return)	<u>695,981</u>
	<u>\$ 1,320,314</u>

**4. PROPERTY AND EQUIPMENT**

The components of property and equipment are as follows at June 30, 2011:

Furniture and equipment	\$ 71,002
Leasehold improvements	<u>10,918</u>
	81,920
Less: Accumulated depreciation and amortization	<u>(62,421)</u>
	<u>\$ 19,499</u>

Depreciation expense amount to \$11,622 for the year ended June 30, 2011.

# INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION, INC.

Notes to Financial Statements  
June 30, 2011

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## 5. CONTRACT SERVICES REVENUE AND CONTRACT ADVANCES

Contract services revenue consisted of \$326,828 from the Swedish International Development Cooperation Agency (SIDA) for the "Africa LGBT Health and Human Rights Initiative" project.

Advances in the amount of \$151,502 consist of amounts received from SIDA, but for which reimbursable expenses under the contract have yet to be incurred.

## 6. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available to satisfy the following program restrictions for the year ending June 30, 2011:

	<u>June 30, 2010</u>	<u>Contributions</u>	<u>Net assets relased from restrictions</u>	<u>June 30, 2011</u>
Time restricted:				
General support	\$ 2,002,140	\$ 222,500	\$ (1,025,839)	\$ 1,198,801
Purpose restricted	<u>153,615</u>	<u>432,639</u>	<u>(321,292)</u>	<u>264,962</u>
	<u>\$ 2,155,755</u>	<u>\$ 655,139</u>	<u>\$ (1,347,131)</u>	<u>\$ 1,463,763</u>

## 7. COMMITMENTS

IGLHRC leases its premises under an operating lease expiring on July 31, 2013. IGLHRC renewed this lease with terms beginning August 1, 2013 and ending July 31, 2020. In addition to the base annual rent, IGLHRC is liable for a prorated portion of the real estate tax. IGLHRC also leases another facility in South Africa under a renewable six month operating lease, beginning November 1, 2011. Future minimum rental payments to be made under the existing leases are as follows:

**INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS  
COMMISSION, INC.**  
**Notes to Financial Statements**  
**June 30, 2011**

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Year ended June 30		
2012	\$	86,065
2013		88,432
2014		95,270
2015		98,360
2016		101,311
Thereafter		<u>446,087</u>
Total	\$	<u>915,525</u>

The amount of rent expense under the leases for the year ended June 30, 2011 amounted to \$101,909.

**8. PENSION PLAN**

IGLHRC provides a 403(b) retirement plan for all eligible employees through Metropolitan Life. After one year of service, employees can participate and make voluntary contributions to the plan. IGLHRC matches the employee contribution up to two (2) percent of the employee's gross salary. For the year ended June 30, 2011, the amount of pension expense is \$11,665.

**9. BOARD-RESTRICTED AND PERMANENTLY RESTRICTED ENDOWMENTS**

IGLHRC's endowment consists of one individual fund established for Board-approved expenditures as described in Note 2. Its endowment includes funds designated by the Board of Directors to function as endowments. As required by US GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

In the early years of the organization, a group of concerned individuals raised funds for endowment to sustain the future of IGLHRC. The balance of permanently restricted funds as of June 30, 2011 was \$18,354.

The following table summarizes changes in endowment net assets for the year ended June 30, 2011:

**INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS  
COMMISSION, INC.**  
**Notes to Financial Statements**  
**June 30, 2011**

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	<u>Board- restricted</u>	<u>Permanently Restricted</u>
Endowment net assets, beginning of year	\$ 400,000	\$ 18,354
Increases (decreases) in board-designated net assets	-	-
Investment income	-	-
Appropriation of endowment assets for expenditure	-	-
Endowment net assets, end of year	<u>\$ 400,000</u>	<u>\$ 18,354</u>

**10. SUBSEQUENT EVENTS**

IGLHRC evaluated its June 30, 2011 financial statements for subsequent events through May 7, 2012, the date the financial statements were available to be issued. IGLHRC is not aware of any subsequent events which would require recognition or disclosure in the financial statements.

**INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION, INC.**  
**Schedule of Functional Expenses**  
**For the Year Ended June 30, 2011**

	Program Services						Supporting Services			2010 Total (for comparative purposes only)		
	Africa	Asia	Latin America	Middle East		United Nations and General	Other	Total Program	Management and General		Fundraising	
				East	West				General			
Salaries	\$ 192,600	\$ 143,317	\$ 144,545	\$ 87,006	\$ 85,752	\$ -	\$ 653,220	\$ 102,447	\$ 138,410	\$ 894,077	\$ 901,498	
Payroll taxes and fringe benefits	56,335	25,063	12,591	12,608	34,608	-	141,205	21,124	28,540	190,869	156,871	
Total salaries and related expenses	248,935	168,380	157,136	99,614	120,360	-	794,425	123,571	166,950	1,084,846	1,058,369	
Other expenses:												
Travel	117,666	15,525	44,925	4,485	87,154	42,324	312,079	-	5,854	317,833	307,259	
Consultants	44,436	45,077	24,737	7,331	114,838	45,508	281,927	4,311	7,823	294,061	281,898	
Accounting	-	-	-	-	-	-	-	129,165	-	129,165	94,607	
Occupancy	37,726	10,799	12,605	4,875	19,779	-	85,784	13,464	16,626	115,864	104,777	
Meetings	-	-	-	-	-	51,592	51,592	-	-	51,592	105,849	
Telecommunications	14,981	2,922	3,988	859	6,627	976	30,353	4,760	6,431	41,544	50,182	
Printing	14,755	3,051	3,029	1,326	5,210	701	28,072	4,403	-	32,475	26,556	
Banking charges and processing fees	5,543	1,199	3,362	469	3,666	177	14,436	2,264	3,059	19,759	17,406	
Dues, subscriptions, licenses and permits	5,546	2,034	2,407	995	4,989	361	16,342	847	1,144	18,333	16,890	
Office and mailing	8,719	1,538	1,133	471	1,833	-	13,694	1,744	325	15,763	7,927	
Equipment rental	2,313	505	852	382	453	5,063	9,568	2,917	3,941	16,426	32,375	
Supplies	6,908	888	907	298	2,279	691	11,971	1,877	2,465	16,313	21,652	
Direct aid	280	4,535	137	61	5,238	-	10,251	-	-	10,251	37,170	
Insurance	2,944	792	838	376	1,456	-	6,406	1,004	1,357	8,767	7,518	
Advertising and promotion	488	226	239	107	502	-	1,562	245	331	2,138	1,396	
Personnel development	402	186	196	88	378	-	1,250	196	265	1,711	1,665	
Cleaning and maintenance	-	-	1,058	-	57	-	1,115	174	236	1,528	5,459	
Miscellaneous	-	-	-	-	8,261	2,153	10,414	1,640	2,216	14,270	29,512	
Depreciation and amortization	3,345	1,318	1,987	785	986	-	8,421	1,372	1,829	11,622	10,775	
Total other expenses	265,052	90,595	102,420	22,908	263,716	149,546	895,237	170,373	53,902	1,119,512	1,160,863	
Total expenses	\$ 514,987	\$ 258,975	\$ 259,556	\$ 122,522	\$ 384,076	\$ 149,546	\$ 1,689,662	\$ 293,944	\$ 220,852	\$ 2,204,458	\$ 2,219,232	

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