

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

Financial Report

June 30, 2013

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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 financial statements of the International Gay and Lesbian Human Rights Commission, Inc. ("IGLHRC"), a not-for-profit organization, which comprise the statements of financial position as of June 30, 2013 and 2012 and related statements of activities, cash flows, and functional expenses for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about 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 financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the International Gay and Lesbian Human Rights, Inc. as of June 30, 2013 and 2012, and the changes in its net assets, its cash flows, and its functional expenses for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Correction of Error

As discussed in Note 11 to the financial statements, certain errors resulting in understatement of amounts previously reported for grants and contributions receivable and revenue as of and for the year ended June 30, 2012, were discovered during the current year. Accordingly, amounts reported for grants and contributions receivable and revenue have been restated in the 2012 financial statements now presented. Our opinion is not modified with respect to that matter.

Manger & Company

April 25, 2014

INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION, INC.
Statements of Financial Position
As of June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u> (restated)
ASSETS		
Cash and cash equivalents	\$ 1,245,717	\$ 1,067,273
Accounts receivable	19,094	7,527
Grants and contributions receivable	379,405	566,904
Contracts receivable	203,101	48,212
Prepaid expenses	<u>11,287</u>	<u>33,948</u>
Total current assets	1,858,604	1,723,864
Grants and contributions receivable, net	304,654	510,373
Property and equipment, net	16,178	18,712
Security deposit	<u>31,704</u>	<u>28,234</u>
Total assets	<u>\$ 2,211,140</u>	<u>\$ 2,281,183</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	\$ 90,689	\$ 125,931
Contract advances and deferred revenue	<u>6,369</u>	<u>397,079</u>
Total liabilities	<u>97,058</u>	<u>523,010</u>
NET ASSETS		
Unrestricted:		
Board designated - general program	550,000	500,000
Undesignated	<u>18,911</u>	<u>15,156</u>
Total unrestricted net assets	568,911	515,156
Temporarily restricted	1,526,817	1,224,663
Permanently restricted	<u>18,354</u>	<u>18,354</u>
Total net assets	<u>2,114,082</u>	<u>1,758,173</u>
Total liabilities and net assets	<u>\$ 2,211,140</u>	<u>\$ 2,281,183</u>

See independent auditors' report.

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

INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION, INC.
Statements of Activities
For the Years Ended June 30, 2013 and 2012

	2013		2012		2012			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES AND SUPPORT								
Grants and contributions	\$ 441,111	\$ 1,284,807	\$ -	\$ 1,725,918	\$ 1,014,866	\$ 465,600	\$ -	\$ 1,480,466
Contract services	692,268	-	-	692,268	430,681	-	-	430,681
Special events:								
Special event revenue	152,454	-	-	152,454	4,495	-	-	4,495
Less: direct event costs	(75,007)	-	-	(75,007)	(3,447)	-	-	(3,447)
Investment (loss) income	(967)	-	-	(967)	864	-	-	864
Other income	5,668	-	-	5,668	13,601	-	-	13,601
	<u>1,215,527</u>	<u>1,284,807</u>	<u>-</u>	<u>2,500,334</u>	<u>1,461,060</u>	<u>465,600</u>	<u>-</u>	<u>1,926,660</u>
Net assets released from restrictions:								
Satisfaction of program restrictions	86,934	(86,934)	-	-	212,086	(212,086)	-	-
Satisfaction of time restrictions	895,719	(895,719)	-	-	492,614	(492,614)	-	-
Total revenues and support	<u>2,198,180</u>	<u>302,154</u>	<u>-</u>	<u>2,500,334</u>	<u>2,165,760</u>	<u>(239,100)</u>	<u>-</u>	<u>1,926,660</u>
EXPENSES								
Program services	1,588,991	-	-	1,588,991	1,618,969	-	-	1,618,969
Supporting services:								
Management and general	293,343	-	-	293,343	271,996	-	-	271,996
Fundraising	262,091	-	-	262,091	327,032	-	-	327,032
Total expenses	<u>2,144,425</u>	<u>-</u>	<u>-</u>	<u>2,144,425</u>	<u>2,217,997</u>	<u>-</u>	<u>-</u>	<u>2,217,997</u>
Change in net assets	53,755	302,154	-	355,909	(52,237)	(239,100)	-	(291,337)
Net assets, beginning of the year, restated	515,156	1,224,663	18,354	1,758,173	567,393	1,463,763	18,354	2,049,510
Net assets, end of year	<u>\$ 568,911</u>	<u>\$ 1,526,817</u>	<u>\$ 18,354</u>	<u>\$ 2,114,082</u>	<u>\$ 515,156</u>	<u>\$ 1,224,663</u>	<u>\$ 18,354</u>	<u>\$ 1,758,173</u>

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

INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION, INC.
Statements of Cash Flows
For the Years Ended June 30, 2013 and 2012

	<u>2013</u>	<u>2012</u> (restated)
Cash flows from operating activities:		
Change in net assets	\$ 355,909	\$ (291,337)
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	12,780	12,468
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	(11,567)	1,604
Decrease in grants and contributions receivable	393,218	243,037
(Increase) in contracts receivable	(154,889)	(48,212)
Decrease (increase) in prepaid expenses	22,661	(26,169)
(Increase) decrease in security deposits	(3,470)	900
(Decrease) in accounts payable and accrued expenses	(35,242)	(46,761)
(Decrease) increase in contract advances	(390,710)	245,577
Net cash provided by operating activities	<u>188,690</u>	<u>91,107</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(10,246)</u>	<u>(11,681)</u>
Net cash (used in) investing activities	<u>(10,246)</u>	<u>(11,681)</u>
Net increase in cash and cash equivalents	178,444	79,426
Cash and cash equivalents, beginning of year	<u>1,067,273</u>	<u>987,847</u>
Cash and cash equivalents, end of year	<u>\$ 1,245,717</u>	<u>\$ 1,067,273</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 Functional Expenses

For the Years Ended June 30, 2013 and 2012

	Program Services						Supporting Services		2012 Total	
	Latin America			Middle East		United Nations and General		Total Program		
	Africa	Asia	Latin America	Middle East	United Nations and General	Management and General	Fundraising			
Salaries	\$ 211,303	\$ 146,986	\$ 29,073	\$ 195,358	\$ 43,713	\$ 626,433	\$ 71,134	\$ 112,247	\$ 809,814	\$ 900,553
Payroll taxes and fringe benefits	25,031	24,650	2,888	19,745	32,150	104,464	10,696	16,878	132,038	160,851
Total salaries and related expenses	236,334	171,636	31,961	215,103	75,863	730,897	81,830	129,125	941,852	1,061,404
Other expenses:										
Consultants	88,405	40,832	26,465	71,775	17,795	245,272	2,088	90,527	337,887	375,691
Travel	154,558	35,352	31,897	49,119	23,205	294,131	-	1,156	295,287	241,292
Accounting	46,067	14,678	5,105	26,571	9,142	101,563	183,275	-	183,275	158,016
Office and mailing	15,808	5,517	1,950	7,688	3,785	34,748	2,975	4,703	42,426	13,081
Telecommunications	14,680	3,766	1,063	4,010	3,539	27,058	3,029	4,780	34,867	34,661
Meetings	13,194	4,801	1,698	6,401	2,972	29,066	1,405	2,188	32,659	26,376
Dues, subscriptions, licenses and permits	12,851	4,794	1,582	6,806	3,073	29,106	1,343	2,120	32,569	26,435
Printing	10,526	2,736	927	6,614	1,707	22,510	2,519	3,977	29,006	21,365
Banking charges and processing fees	6,719	2,445	865	3,260	1,514	14,803	715	1,114	16,632	20,108
Supplies	8,090	1,088	376	1,863	774	12,191	1,227	1,936	15,354	19,111
Equipment rental and purchase	6,666	277	238	3,671	181	11,033	881	1,391	13,305	34,059
Direct aid	-	8,050	-	3,500	-	11,550	-	-	11,550	26,574
Insurance	2,793	1,016	359	1,355	629	6,152	299	463	6,914	6,383
Advertising and promotion	1,428	520	184	693	322	3,147	151	237	3,535	4,955
Cleaning and maintenance	601	230	81	318	150	1,380	154	244	1,778	3,467
Miscellaneous	733	288	68	359	156	1,604	81	187	1,872	16,058
Depreciation and amortization	4,935	2,314	820	3,201	1,510	12,780	-	-	12,780	12,468
Total other expenses	388,054	128,704	73,678	197,204	70,454	858,094	211,513	132,966	1,202,573	1,156,593
Total expenses	\$ 624,388	\$ 300,340	\$ 105,639	\$ 412,307	\$ 146,317	\$ 1,588,991	\$ 293,343	\$ 262,091	\$ 2,144,425	\$ 2,217,997

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 Functional Expenses
For the Years Ended June 30, 2012 and 2011

	Program Services						Supporting Services		2011 Total	
	Latin America			Middle East		United Nations and General		Management and General		Fundraising
	Africa	Asia	Latin America	East	Middle	Other	Total Program			
Salaries	\$ 137,130	\$ 149,833	\$ 71,353	\$ 149,397	\$ 150,811	\$ -	\$ 659,524	\$ 73,487	\$ 168,542	\$ 894,077
Payroll taxes and fringe benefits	18,789	32,610	10,178	25,104	32,085	-	118,766	12,778	29,307	190,869
Total salaries and related expenses	155,919	182,443	81,531	174,501	182,896	-	777,290	86,265	197,849	1,064,946
Other expenses:										
Consultants	75,729	88,937	25,777	64,005	49,903	21,852	306,203	2,506	66,982	375,691
Travel	119,540	45,518	14,543	29,745	27,099	461	236,906	-	4,386	241,292
Accounting	-	-	-	-	-	-	-	158,016	-	158,016
Occupancy	27,218	17,285	8,291	18,141	14,375	-	85,310	9,468	21,715	116,493
Telecommunications	7,300	4,309	3,123	6,009	4,642	-	25,383	2,817	6,461	34,661
Equipment rental and purchase	13,021	2,607	1,292	5,695	2,326	-	24,941	2,769	6,349	41,544
Direct aid	15,426	339	142	10,372	295	-	26,574	-	-	34,059
Dues, subscriptions, licenses and permits	6,886	4,080	2,163	6,021	4,475	-	23,625	853	1,957	26,435
Meetings	13,563	4,488	1,471	3,350	3,504	-	26,376	-	-	26,376
Printing	8,168	2,778	889	2,171	1,640	-	15,646	1,737	3,982	21,365
Banking charges and processing fees	4,246	2,738	2,279	3,238	2,044	180	14,725	1,634	3,749	20,108
Supplies	4,925	2,301	1,463	2,735	2,572	-	13,986	1,553	3,562	19,111
Office and mailing insurance	3,702	1,816	1,004	1,894	1,547	-	9,963	947	2,171	13,081
Advertising and promotion	1,595	910	382	997	790	-	4,674	519	1,190	6,383
Cleaning and maintenance	980	782	328	858	680	-	3,628	403	924	4,955
Miscellaneous	907	482	202	529	419	-	2,539	282	646	3,467
Depreciation and amortization	7,869	1,659	444	1,161	926	-	12,059	1,214	2,785	16,058
Total other expenses	3,281	1,728	724	1,896	1,502	-	9,131	1,013	2,324	12,468
	314,356	162,757	64,517	158,817	118,739	22,493	841,679	185,731	129,183	1,156,593
Total expenses	\$ 470,275	\$ 345,200	\$ 146,048	\$ 333,318	\$ 301,635	\$ 22,493	\$ 1,618,969	\$ 271,996	\$ 327,032	\$ 2,217,997
										\$ 2,204,458

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, 2013 and 2012

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 an office in 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 509(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

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in Accounting Standards Codification ("ASC") 958, Financial Statements of Not-for-Profit Organizations. Under ASC 958, the organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted and permanently restricted net assets.

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 contingences. 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

INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION, INC.

Notes to Financial Statements

June 30, 2013 and 2012

IGLHRC. The balance in Board designated net assets was \$550,000 and \$500,000 as of June 30, 2013 and 2012, respectively.

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 as of June 30, 2013 and 2012.

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.

IGLHRC uses the allowance method to determine uncollectible grants and contributions receivable. The allowance is based on prior years' experience and management's analysis of specific grants and contributions made.

INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION, INC.

Notes to Financial Statements

June 30, 2013 and 2012

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.

Deferred revenue

Income for special events that will occur in the subsequent fiscal year is deferred and recognized when the event takes place.

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 \$2,000 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 bases.

Income Taxes

IGLHRC has 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

INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION, INC.

Notes to Financial Statements

June 30, 2013 and 2012

maintenance of its tax-exempt status; to identify and report unrelated income; determine its filing and tax obligations in jurisdictions for which it has nexus; and to review other matters that may be considered tax positions.

IGLHRC's Forms 990, *Return of Organization Exempt for Income Tax*, for the years ending June 30, 2010, 2011, and 2012 are subject to examination by the IRS, generally for three years after they were filed.

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. As of June 30, 2013 and 2012, IGLHRC's cash balances exceeded federally insured limits by \$919,722 and \$741,502, respectively. IGLHRC's cash accounts are placed with high credit quality financial institutions. IGLHRC has not experienced, nor does it anticipate, any losses in such accounts.

Concentration of Grants and Contributions and Receivable

Approximately 56% of IGLHRC's funding for the year ended June 30, 2013 was provided by one private foundation and one international governmental agency. Approximately 58% of IGLHRC's funding for the year ended June 30, 2012 was provided by two private foundations and one international governmental agency.

One multiyear grant from a private foundation made up approximately 75% and 93% of IGLHRC's grants and contributions receivable as of June 30, 2013 and 2012, respectively.

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

For comparative purposes, certain amounts previously reported have been reclassified to conform to current year presentations.

INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION, INC.

Notes to Financial Statements June 30, 2013 and 2012

3. GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable at June 30, 2013 and 2012 consisted of current promises to give which are collectible as follows:

	2013	2012
One year or less	\$ 379,405	\$ 566,904
One to seven years, net of present value discount of \$5,718 and \$6,903, respectively (1.4% risk-free rate of return)	304,654	510,373
	<u>\$ 684,059</u>	<u>\$ 1,077,277</u>

4. PROPERTY AND EQUIPMENT

The components of property and equipment are as follows at June 30, 2013 and 2012:

	2013	2012
Furniture and equipment	\$ 92,930	\$ 82,684
Leasehold improvements	10,918	10,918
	103,848	93,602
Less: Accumulated depreciation	(87,670)	(74,890)
	<u>\$ 16,178</u>	<u>\$ 18,712</u>

Depreciation expense amount to \$12,780 and \$12,468 for the years ended June 30, 2013 and 2012, respectively.

5. CONTRACT SERVICES REVENUE

Contract services revenue consisted of \$445,720 and \$310,289 for the years ended June 30, 2013 and 2012, respectively, from the Swedish International Development Cooperation Agency (SIDA) for the "Africa LGBT Health and Human Rights Initiative" project. During 2013 and 2012, IGLHRC also received funding from another government agency in the amount of \$246,548 and \$120,392 for its program work in the Middle East.

6. CONTRACT ADVANCES AND DEFERRED REVENUE FROM SPECIAL EVENTS

Advances in the amount of \$327,079 as of June 30, 2012 consisted of amounts received from SIDA. These advances were recognized as contract revenue as reimbursable expenses under the contract were incurred during the year ended June 30, 2013.

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

Notes to Financial Statements

June 30, 2013 and 2012

Deferred revenue in the amount of \$70,000 represented contributions collected during the year ended June 30, 2012 that were conditional upon the occurrence of IGLHRC's Celebration of Courage event in July 2012. Revenue and related expenses were recognized during the year ended June 30, 2013.

7. TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available to satisfy the following program restrictions for the year ending June 30, 2013:

	<u>June 30, 2012</u>	<u>Contributions</u>	<u>Net assets relaxed from restrictions</u>	<u>June 30, 2013</u>
Time restricted:				
General support	\$ 1,137,277	\$ 1,060,000	\$ (895,719)	\$ 1,301,558
Purpose restricted	<u>87,386</u>	<u>224,807</u>	<u>(86,934)</u>	<u>225,259</u>
	<u>\$ 1,224,663</u>	<u>\$ 1,284,807</u>	<u>\$ (982,653)</u>	<u>\$ 1,526,817</u>

Temporarily restricted net assets are available to satisfy the following program restrictions for the year ending June 30, 2012:

	<u>June 30, 2011</u>	<u>Contributions</u>	<u>Net assets relaxed from restrictions</u>	<u>June 30, 2012</u>
Time restricted:				
General support	\$ 1,198,801	\$ 431,090	\$ (492,614)	\$ 1,137,277
Purpose restricted	<u>264,962</u>	<u>34,510</u>	<u>(212,086)</u>	<u>87,386</u>
	<u>\$ 1,463,763</u>	<u>\$ 465,600</u>	<u>\$ (704,700)</u>	<u>\$ 1,224,663</u>

8. COMMITMENTS

During the year ended June 30, 2013, IGLHRC renewed the operating lease for its New York City premises that was set to expire on July 31, 2013. The renewed lease runs from August 1, 2013 through July 31, 2020. In addition to the base annual rent, IGLHRC is liable for a prorated portion of the real estate tax. IGLHRC had also leased a facility in South Africa under a six month operating lease, beginning November 1, 2011. During 2012, this lease was terminated.

INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION, INC.

Notes to Financial Statements

June 30, 2013 and 2012

On October 23, 2012, IGLHRC signed a lease for office space located in Johannesburg, South Africa for a term of one year beginning November 1, 2012. The lease automatically renews for successive periods equal to the current term until brought to an end by IGLHRC or the lessor by submitting written notice within three months of the end of the term.

Future minimum rental payments to be made under the existing leases are as follows:

Year ending June 30,	
2014	\$ 95,270
2015	98,360
2016	101,311
2017	104,350
2018	107,481
Thereafter	<u>234,256</u>
Total	<u>\$ 741,028</u>

The amount of rent expense under the leases for the years ended June 30, 2013 and 2012 amounted to 102,119 and \$86,065, respectively.

9. 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 three (3) percent of the employee's gross salary. For the years ended June 30, 2013 and 2012, the amount of pension expense amounted to \$10,883 and \$18,610, respectively.

10. ENDOWMENTS

IGLHRC's endowments consist of the following:

An unrestricted fund established for Board-approved expenditures as described in Note 2. This 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.

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Notes to Financial Statements June 30, 2013 and 2012

The permanent endowment, in the amount of \$18,354, started in the early years of the organization when a group of concerned individuals raised funds to sustain the future of IGLHRC.

The following table summarizes changes in endowment net assets for the years ended June 30, 2013:

	Board- restricted	Permanently Restricted
Endowment net assets, beginning of year	\$ 500,000	\$ 18,354
Increases (decreases) in board-designated net assets	50,000	-
Investment income	-	-
Appropriation of endowment assets for expenditure	-	-
Endowment net assets, end of year	<u>\$ 550,000</u>	<u>\$ 18,354</u>

The balances of the board-restricted and permanently restricted endowments as of June 30, 2012 were \$500,000 and \$18,354, respectively. The Board-restricted endowment was increased by \$100,000 during the year ended June 30, 2012.

11. PRIOR PERIOD ADJUSTMENT - CORRECTION OF ERROR

During the year ended June 30, 2013, it was determined that contribution revenues related to the prior fiscal year ended June 30, 2012 were erroneously recorded in the current fiscal year. As a result, grants and contribution receivables, revenues, and temporarily restricted net assets for the prior period were understated by \$300,000. Adjustments were made to correct these errors and the previously issued financial statements for the year ended June 30, 2012 have been restated to reflect such corrections.

12. SUBSEQUENT EVENTS

IGLHRC evaluated its June 30, 2013 financial statements for subsequent events through April 25, 2014, 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.