

INTERNATIONAL GAY AND LESBIAN HUMAN RIGHTS COMMISSION,
INC.

FINANCIAL STATEMENTS TOGETHER WITH REPORT OF
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

For the years ended June 30, 2010
(with comparative totals from 2009)

CONTENTS

	<u>Page</u>
Report of Independent Certified Public Accountants	1-2
Financial Statements:	
Statement of Financial Position as of June 30, 2010	3
Statement of Activities for the year ended June 30, 2010	4
Statement of Cash Flows for the year ended June 30, 2010	5
Notes to Financial Statements	6-14
Supplementary Information:	
Schedule of Functional Expenses for the year ended June 30, 2010	15

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REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To The Board of Directors of
International Gay and Lesbian Human Rights Commission, Inc.
New York, New York

We have audited the accompanying statements of financial position of International Gay and Lesbian Human Rights Commission, Inc. ("IGLHRC") as of June 30, 2010, and the related statements of activities and of 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 2009 financial statements and, in our report dated January 21, 2010, 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, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe 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, 2010 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 of IGLHRC as of June 30, 2010 taken as a whole. The Supplementary Schedule of Functional Expenses included on page 14 is presented for the purposes of additional analysis and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Monica F. Conyon

January 25, 2011

International Gay and Lesbian Human Rights Commission

STATEMENT OF FINANCIAL POSITION

As of June 30, 2010
(with comparative totals for 2009)

	<u>ASSETS</u>	
	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and cash equivalents	\$ 1,388,344	\$ 1,420,126
Accounts receivable	20,748	18,160
Grants and contributions receivable	544,136	411,904
Prepaid expenses	22,341	22,306
Total current assets	1,975,569	1,872,496
Grants and contributions receivable, net	983,004	935,287
Property and equipment, net	22,090	26,068
Security deposit	28,234	28,234
Total assets	\$ 3,008,897	\$ 2,862,085
<u>LIABILITIES AND NET ASSETS</u>		
Current liabilities:		
Accounts payable and accrued expenses	\$ 130,749	\$ 91,515
Contract advances	157,176	-
Total liabilities	287,925	91,515
Net assets:		
Unrestricted:		
Board designated - general program	400,000	400,000
Undesignated	146,863	159,479
Total unrestricted net assets	546,863	559,479
Temporarily restricted	2,155,755	2,192,738
Permanently restricted	18,354	18,354
Total net assets	2,720,972	2,770,570
Total liabilities and net assets	\$ 3,008,897	\$ 2,862,085

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

International Gay and Lesbian Human Rights Commission

STATEMENT OF ACTIVITIES

For the year ended June 30, 2010
(with comparative totals for 2009)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2010 Total	2009 Total
Revenues and support from operations:					
Grants and contributions	\$ 584,370	\$ 1,386,058	\$ -	\$ 1,980,428	\$ 2,157,574
Contract services	143,495	-	-	143,495	321,377
Special events:					
Special event revenue	82,971	-	-	82,971	126,662
Less: Costs of direct benefits to donors	(48,596)	-	-	(48,596)	(33,315)
Investment income	1,715	-	-	1,715	17,477
Foreign exchange gains and losses	227	-	-	227	(9,518)
Other income	9,394	-	-	9,394	4,338
	773,576	1,386,058	-	2,169,634	2,584,595
Net assets released from restrictions:					
Satisfaction of program restrictions	293,358	(293,358)	-	-	-
Satisfaction of time restrictions	1,139,683	(1,139,683)	-	-	-
Total revenues and support from operations	2,206,617	(36,983)	-	2,169,634	2,584,595
Operating expenses:					
Program services	1,687,432	-	-	1,687,432	1,591,503
Supporting services:					
Management and general	290,980	-	-	290,980	320,047
Fundraising	240,820	-	-	240,820	245,821
Total operating expenses	2,219,232	-	-	2,219,232	2,157,371
Change in net assets	(12,615)	(36,983)	-	(49,598)	427,224
Net assets, beginning of year as previously reported	559,478	2,192,738	18,354	2,770,570	990,677
Prior period adjustments	-	-	-	-	1,352,689
Net assets, beginning of the year, restated	559,478	2,192,738	18,354	2,770,570	2,343,366
Net assets, end of year	\$ 546,863	\$ 2,155,755	\$ 18,354	\$ 2,720,972	\$ 2,770,570

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, 2010
(with comparative totals for 2009)

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Change in net assets	\$ (49,598)	\$ 427,224
Adjustments to reconcile changes in net assets to net cash provided by operating activities:		
Depreciation expense	10,775	10,975
Realized gain on sale of investments	-	(9,196)
Changes in operating assets and liabilities:		
(Increase) in accounts receivable	(2,588)	(9,360)
(Increase) decrease in grants and contributions receivable	(179,949)	355,865
(Increase) in prepaid expenses	(35)	(3,882)
Increase in accounts payable and accrued expenses	39,234	36,302
Increase in contract advances	157,176	-
Net cash (used in) provided by operating activities	(24,985)	807,928
Cash flows from investing activities:		
Purchase of property and equipment	(6,797)	(9,740)
Proceeds from sale of securities	-	233,636
Net cash (used in) provided by investing activities	(6,797)	223,896
Net (decrease) increase in cash and cash equivalents	(31,782)	1,031,824
Cash and cash equivalents, beginning of year	1,420,126	388,302
Cash and cash equivalents, end of year	\$ 1,388,344	\$ 1,420,126

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

International Gay and Lesbian Human Rights Commission, Inc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2010
(with comparative totals for 2009)

NOTE 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 Cape Town, 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

1. *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 net assets also include those funds that are designated for specific purposes by the Board of Directors

International Gay and Lesbian Human Rights Commission, Inc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2010
(with comparative totals for 2009)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 IGLHRC. The balance in Board designated net assets as of June 30, 2010 was \$400,000.

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

2. *Grants and Contributions Receivable*

Grants and contributions receivable that are expected to be collected within one year are recorded at their net realizable value. Grants and contributions 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.

International Gay and Lesbian Human Rights Commission, Inc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2010
(with comparative totals for 2009)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

3. *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.

4. *Property and Equipment*

IGLHRC capitalizes all significant expenditures for furniture and equipment and leasehold improvements. These assets are recorded at cost. Depreciation of furniture and equipment are provided for on a straight-line basis over the estimated useful lives of the assets.

5. *Functional Expenses Allocations*

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

6. *Income Taxes*

On July 1, 2008, IGLHRC adopted the provisions of FASB Interpretation No. 48, "Accounting for Uncertainty in Income Taxes" ("FIN 48"). FIN 48 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 implementation of FIN 48 did not have an impact on IGLHRC's statement of financial position or statement of activities. IGLHRC does not believe its financial statements include any uncertain tax positions.

International Gay and Lesbian Human Rights Commission, Inc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2010
(with comparative totals for 2009)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

7. *Concentrations of Credit Risk*

Financial instruments that potentially subject IGLHRC to concentrations of credit risk consist principally of cash and cash equivalents. IGLHRC maintains its cash in 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.

8. *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.

9. *Prior Year Summarized Comparative 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 presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with IGLHRC's financial statements for the year ended June 30 of the prior year, from which the summarized information was derived.

10. *Reclassifications*

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

International Gay and Lesbian Human Rights Commission, Inc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2010
(with comparative totals for 2009)

NOTE 3 GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable at June 30, 2010 consisted of current and multiyear promises to give which are collectible as follows:

One year or less	\$ 544,136
One to seven years, net of present value discount of \$60,312 (5% risk-free rate of return)	<u>983,004</u>
	<u>\$ 1,527,140</u>

NOTE 4 PROPERTY AND EQUIPMENT, NET

The components of property and equipment are as follows at June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Furniture and equipment	\$ 61,972	\$ 55,175
Leasehold improvements	<u>10,918</u>	<u>10,918</u>
	72,890	66,093
Less: Accumulated depreciation and amortization	<u>(50,800)</u>	<u>(40,025)</u>
	<u>\$ 22,090</u>	<u>\$ 26,068</u>

International Gay and Lesbian Human Rights Commission, Inc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2010
(with comparative totals for 2009)

NOTE 5 CONTRACT SERVICES REVENUE AND CONTRACT ADVANCES

Contract services revenue consisted of \$143,495 from the Swedish International Development Cooperation Agency (SIDA) for the "Africa LGBT Health and Human Rights Initiative" project.

Advances in the amount of \$157,176 consist of amounts received from SIDA, but for which reimbursable expenses under the contract have yet to be incurred.

NOTE 6 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available to satisfy the following program or time restrictions at June 30, 2010 and 2009:

	<u>June 30, 2009</u>	<u>Contributions</u>	<u>Net assets relaxed from restrictions</u>	<u>June 30, 2010</u>
Time restricted:				
General support	\$ 2,162,738	\$ 979,085	\$ (1,139,683)	\$ 2,002,140
Purpose restricted	<u>30,000</u>	<u>416,973</u>	<u>(293,358)</u>	<u>153,615</u>
	<u>\$ 2,192,738</u>	<u>\$ 1,396,058</u>	<u>\$ (1,433,041)</u>	<u>\$ 2,155,755</u>

NOTE 7 PERMANENTLY RESTRICTED NET ASSETS

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, 2010 was \$18,354.

International Gay and Lesbian Human Rights Commission, Inc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2010
(with comparative totals for 2009)

NOTE 8 LEASE

IGLHRC leases its premises under an operating lease expiring on July 31, 2013. In addition to the base annual rent, IGLHRC is liable for a prorated portion of the real estate tax above that level in existence as of April 1, 2006. IGLHRC also leases another facility in South Africa under an operating lease expiring on March 19, 2011. Future minimum rental payments to be made under the existing leases are as follows:

Year ended June 30	
2011	\$ 94,358
2012	86,065
2013	<u>88,432</u>
Total	<u>\$ 268,855</u>

The amount of rent expense under the leases for the year ended June 30, 2010 amounted to \$96,815.

NOTE 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 seven (7) percent of the employee's gross salary. For the year ended June 30, 2010, the amount of pension expenses is \$11,981.

International Gay and Lesbian Human Rights Commission, Inc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2010
(with comparative totals for 2009)

NOTE 10 ENDOWMENT

During the year ended June 30, 2010, IGLHRC adopted FASB Staff Position No. 117-1, "Endowments for Not-for-Profit Organizations." 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.

The following table summarizes changes in endowment net assets for the years 2010 and 2009:

	2010	2009
	<u>Unrestricted</u>	<u>Unrestricted</u>
Endowment net assets, beginning of year	\$ 400,000	\$ 400,000
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>\$ 400,000</u>

International Gay and Lesbian Human Rights Commission, Inc

NOTES TO THE FINANCIAL STATEMENTS

For the year ended June 30, 2010
(with comparative totals for 2009)

NOTE 11 SUBSEQUENT EVENTS

In May 2009, the FASB issued Statement No. 165, "Subsequent Events" (FAS 165), to incorporate the accounting and disclosure requirements for subsequent events into US GAAP. FAS 165 introduces new terminology, defines a date through which management must evaluate subsequent events, and lists the circumstances under which an entity must recognize and disclose events or transactions occurring after the statement of financial position date. IGLHRC adopted FAS 165 as of June 30, 2010, which was the required effective date.

IGLHRC evaluated its June 30, 2010 financial statements for subsequent events through January 25, 2011, 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, 2010
(with comparative totals for 2009)

	Program Services						Supporting Services		Supporting Services		Supporting Services		2009 Total		
	Africa	Asia	Latin America	Middle East	United Nations and General	Other	Total Program	Management and General	Fundraising	2010 Total	PROOF	Program Services		Management and General	Fundraising
Salaries	\$ 226,488	\$ 128,592	\$ 161,386	\$ 76,893	\$ 59,878	\$ -	\$ 653,237	\$ 106,409	\$ 141,852	\$ 901,498	\$ 901,498	\$ 614,850	\$ 147,895	\$ 121,617	\$ 884,361
Payroll taxes and fringe benefits	41,251	20,817	17,786	17,007	16,750	-	113,671	18,517	24,683	156,871	156,871	119,272	28,690	23,592	171,554
Total salaries and related expenses	267,739	149,469	179,172	93,900	76,628	-	766,908	124,926	166,535	1,058,369	1,058,369	734,122	176,584	145,209	1,055,915
Other expenses:															
Travel	109,911	30,943	75,243	20,092	22,770	42,324	301,283	-	5,976	307,259	307,261	399,817	-	3,874	403,691
Consultants	64,929	22,539	38,054	11,737	45,372	45,508	228,139	34,585	19,174	281,898	254,075	132,459	5,230	56,933	194,621
Accounting	-	-	-	-	-	-	-	94,607	-	94,607	122,432	-	101,426	-	101,426
Meetings	16,457	5,382	15,727	802	4,453	63,028	105,849	-	-	105,849	105,849	15,847	37	325	16,208
Occupancy	38,031	9,529	15,652	5,835	7,075	-	75,922	12,368	16,487	104,777	104,778	72,749	16,357	13,451	102,557
Telecommunications	36,963	-	-	-	-	-	36,363	5,923	7,896	50,172	50,172	41,232	2,570	2,113	45,916
Direct aid	22,007	2,098	-	-	-	-	37,170	-	-	37,170	37,170	34,925	-	-	34,925
Equipment rental	3,449	1,078	1,541	608	2,688	14,085	23,459	3,822	5,094	32,375	32,375	9,249	1,788	1,454	12,471
Printing	8,281	1,078	1,541	840	1,054	701	19,242	3,135	4,179	26,556	26,556	7,774	296	6,785	14,855
Supplies	8,432	944	4,382	550	690	691	15,669	2,556	3,407	21,652	21,650	10,835	2,606	2,287	15,729
Banking charges and processing fees	5,650	1,366	3,054	1,357	945	265	12,637	2,045	2,724	17,406	17,406	13,507	2,085	1,539	16,279
Dues, subscriptions, licenses and permits	7,894	1,890	2,998	1,467	1,555	361	15,865	435	580	16,880	16,881	12,052	1,872	1,539	15,463
Office and mailing	2,842	548	2,179	179	225	-	5,973	838	1,116	7,927	7,929	29,583	303	2,043	31,929
Insurance	3,121	604	911	360	452	-	5,448	887	1,183	7,518	7,517	9,717	2,337	1,922	13,977
Cleaning and maintenance	2,368	324	829	193	242	-	3,956	644	859	5,459	5,460	810	195	160	1,165
Personnel development	388	153	230	91	344	-	1,206	197	262	1,665	1,665	10,953	-	-	10,953
Advertising and promotion	402	158	239	94	118	-	1,011	165	220	1,396	1,396	2,248	215	1,979	4,442
Design	-	-	-	-	-	-	-	-	-	-	-	13,718	2,742	2,254	18,714
Stipends and honoraria	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	15,551	995	1,100	325	362	5,172	23,505	2,575	3,432	29,512	29,516	30,901	1,589	1,295	33,785
Depreciation and amortization	3,101	1,222	1,842	728	914	-	7,807	1,272	1,596	10,775	10,775	7,630	1,835	1,510	10,975
Total other expenses	348,877	84,960	173,789	45,534	95,219	172,145	920,524	166,054	74,285	1,160,863	1,160,863	857,381	143,463	100,612	1,101,456
Total expenses	\$ 616,616	\$ 234,429	\$ 352,961	\$ 139,434	\$ 171,847	\$ 172,145	\$ 1,687,432	\$ 290,980	\$ 240,820	\$ 2,219,232	\$ 2,219,232	\$ 1,591,503	\$ 320,047	\$ 245,821	\$ 2,157,371

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