

**NEW YORK CITY GAY AND LESBIAN
ANTI-VIOLENCE PROJECT, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2010 AND 2009**

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
New York City Gay and Lesbian Anti-Violence Project, Inc.

We have audited the accompanying statements of financial position of New York City Gay and Lesbian Anti-Violence Project, Inc. (the "Agency") as of June 30, 2010 and 2009 and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Agency's management. 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. These standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from 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 statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the aforementioned financial statements present fairly, in all material respects, the financial position of New York City Gay and Lesbian Anti-Violence Project, Inc. as of June 30, 2010 and 2009 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Lederer, Levine & Associates, LLC

Lederer, Levine & Associates, LLC

New York, NY
October 29, 2010

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30 2010 AND 2009

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents (Note B)	\$ 59,296	\$ 70,088
Government grants receivable (Note F)	421,305	393,474
Contributions receivable (Note C)	4,941	103,594
Prepaid expenses and other assets	15,123	6,966
Security deposits	18,672	19,082
Property and equipment, net (Notes B and D)	<u>104,067</u>	<u>176,262</u>
TOTAL ASSETS	<u>\$ 623,404</u>	<u>\$ 769,466</u>
 LIABILITIES		
Accrued expenses and other payables	\$ 159,848	\$ 425,351
Refundable advances	31,852	35,861
Loans payable (Note E)	294,994	247,394
Deferred rent (Note F)	<u>166,562</u>	<u>165,172</u>
TOTAL LIABILITIES	<u>653,256</u>	<u>873,778</u>
 COMMITMENTS AND CONTINGENCIES (Note F)		
 NET ASSETS (DEFICIT)		
Unrestricted deficit	(53,492)	(385,404)
Temporarily restricted (Note G)	<u>23,640</u>	<u>281,092</u>
TOTAL NET ASSETS (DEFICIT)	<u>(29,852)</u>	<u>(104,312)</u>
 TOTAL LIABILITIES AND NET ASSETS DEFICIT	<u>\$ 623,404</u>	<u>\$ 769,466</u>

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED JUNE 30 2010 AND 2009

2010

	Program Services	Management and General	Fundraising and Development	Total
Salaries	\$ 730,911	\$ 80,208	\$ 181,739	\$ 992,858
Payroll taxes and employee benefits	164,271	18,026	40,647	222,944
Total salaries and related costs	895,182	98,234	222,386	1,215,802
Professional fees and consultants (Note H)	107,589	117,468	10,000	235,057
Hotline volunteers (Note H)	222,511			222,511
Occupancy	200,716	22,026	49,907	272,649
Special events (Note H)	27,046	1,039	26,342	26,342
Travel and transportation (Note H)	2,839		81	28,166
Printing and design	8,806	966	7,195	10,034
Equipment rental	16,332	2,388	2,190	11,962
Repairs and maintenance	19,543	1,551	6,870	25,590
Telephone and communication	8,714	755	3,516	24,610
Office and program supplies	888	1,585	1,710	11,179
Postage and mailing		10,966	1,442	3,915
Interest expense	4,625	508	1,150	10,966
Insurance	7,231	1,290	124	6,283
Staff training and development (Note H)	3,020	12,585		8,645
Fees and assessments	53,148	5,832	13,215	15,605
Depreciation and amortization	423	12,946	69	72,195
Miscellaneous				13,438
Sub-total	1,578,613	290,139	346,197	2,214,949
Less: expenses deducted directly from revenues on the statements of activities			26,342	26,342
Total Expenses	\$ 1,578,613	\$ 290,139	\$ 319,855	\$ 2,188,607

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
 STATEMENTS OF FUNCTIONAL EXPENSES
 FOR THE YEARS ENDED JUNE 30 2010 AND 2009

2009

	Program Services	Management and General	Fundraising and Development	Total
Salaries	\$ 720,168	\$ 111,619	\$ 183,965	\$ 1,015,752
Payroll taxes and employee benefits	137,523	23,495	34,622	195,640
Total salaries and related costs	857,691	135,114	218,587	1,211,392
Professional fees and consultants	60,746	79,124	63,868	203,738
Occupancy	190,055	31,483	48,077	269,615
Special events	13,094	2,029	72,587	72,587
Expensed equipment (Note D)	209,687	360	3,345	18,468
Advertising	26,948	1,532	716	210,047
Travel and transportation	33,118	3,005	16,406	29,196
Printing and design	8,800	1,364	2,248	52,529
Equipment rental	14,356	2,820	8,825	12,412
Repairs and maintenance	18,703	1,930	3,181	26,001
Telephone and communication	9,063	1,252	2,063	23,814
Office and program supplies	3,177	152	5,918	12,378
Postage and mailing	4,581	16,795	9,247	9,247
Interest expense	3,064	710	1,170	16,795
Insurance	80	637	132	6,461
Staff training and development	51,798	10,333	50	3,833
Fees and assessments	51,798	8,028	13,232	10,463
Depreciation and amortization	1,504,961	296,308	460,765	73,058
Sub-total	1,504,961	296,308	460,765	2,262,034
Less: expenses deducted directly from revenues on the statements of activities			72,587	72,587
Total Expenses	\$ 1,504,961	\$ 296,308	\$ 388,178	\$ 2,189,447

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

**NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED JUNE 30 2010 AND 2009**

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 74,460	\$ (22,944)
Adjustments to reconcile change in net assets to net cash (used) provided by operating activities:		
Depreciation and amortization	72,195	73,058
Deferred rent	1,390	12,996
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Government grants receivable	(27,831)	(142,038)
Contributions receivable	98,653	(53,594)
Prepaid expenses and other assets	(8,157)	42,567
Security deposits	410	
Increase (decrease) in liabilities:		
Accrued expenses and other payables	(265,503)	165,076
Refundable advances	(4,009)	9,313
Net Cash Provided (Used) by Operating Activities	(58,392)	84,434
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans payable	253,650	193,550
Principal repayments of loans payable	(206,050)	(217,050)
Net Cash Provided (Used) by Financing Activities	47,600	(23,500)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(10,792)	60,934
Cash and cash equivalents - beginning of year	70,088	9,154
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 59,296	\$ 70,088
Supplementary Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 10,966	\$ 16,795

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009

Note A - Organization and Nature of Activities

The accompanying financial statements of the New York City Gay and Lesbian Anti-Violence Project, Inc. ("AVP") (the "Agency") include the operations of its former Affiliate, (National Coalition of Anti-Violence Programs ("NCAVP")). The financial statements as of and for the year ended June 30, 2009, reflect the consolidated statements of the two entities. The financial statements as of and for the year ended June 30, 2010 include NCAVP as a program of AVP.

AVP and the NCAVP formerly operated under a Memorandum of Agreement under which AVP conducted the operations of the Coalition. In June, 2009, NCAVP effectively transferred its net assets to AVP, and NCAVP was legally dissolved during the fiscal year ending June 30, 2010.

The Agency receives its principal revenue from governmental sources.

AVP is dedicated to eliminating hate violence, sexual assault, stalking and domestic violence in lesbian, gay, bisexual, transgender, queer and HIV-affected (LGBTQH) communities through counseling, advocacy, organizing, and public education. AVP operates a free and confidential 24-hour bilingual hotline staffed by AVP staff and volunteers and engages in community outreach and education about the nature and pattern of violence within and against LGBTQH communities in New York City. AVP coordinates a NYS LGBTQH Domestic Violence Network which addresses LGBTQH domestic violence throughout the state. AVP also educates non-LGBTQH service providers, including the law enforcement agencies, in NYS about violence within and against the LGBTQH communities. AVP coordinates NCAVP which is a national coalition of programs that addresses the pervasive problem of violence committed against and within the LGBTQH throughout the United States.

AVP is a not-for-profit corporation exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code.

Note B – Summary of Significant Accounting Policies

Basis of Accounting

The Agency follows accounting principles generally accepted in the United States of America ("U.S. GAAP") which include certain specialized requirements set forth in publications of the Financial Accounting Standards Board.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which is October 29, 2010.

Accounting for Uncertainty in Income Taxes

The Agency's accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax.

Cash and Cash Equivalents

The Agency considers all highly liquid investments with a maturity of less than three months to be cash equivalents.

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009
(Continued)

Note B – Summary of Significant Accounting Policies (continued)

Restricted Contributions

Contributions are recognized when the donor makes a promise to give to the Agency that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Contributed Services and Materials

Contributed services and materials are recorded at the estimated fair value.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Property and Equipment

Property and equipment are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives. The Agency capitalizes property and equipment with a useful life of two years or more and a cost of \$1,000 or more, unless the acquisition is reimbursed by a government grant, and the grantor retains title to the property or equipment. In those instances, the purchase is expensed in the year incurred.

Fair Value Measurements

U. S. GAAP has established a fair value hierarchy organized into three levels based upon the "input" assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices that are observable either directly or indirectly with fair value being determined through the use of models or other valuation methodologies. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, an investment's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement. The adoption of the accounting standard had no impact on the financial statements.

Note C – Contributions Receivable

Contributions receivable at June 30, 2010 and June 30, 2009 are due within one year.

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009
(Continued)

Note D – Property and Equipment

Property and equipment consist of the following as at June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>	<u>Estimated Useful Lives</u>
Computers	\$ 188,085	\$ 188,085	3 years
Furniture and equipment	188,749	188,749	5 years
Leasehold improvements	<u>227,652</u>	<u>227,652</u>	7 to 30 years
	604,486	604,486	
Less: accumulated depreciation and amortization	<u>(500,419)</u>	<u>(428,224)</u>	
	<u>\$ 104,067</u>	<u>\$ 176,262</u>	

During the year ended June 30, 2009, the Agency purchased equipment in the amount of \$18,468 which was reimbursed through a government grant. The government agency holds a lien on all equipment purchased using this grant.

Note E – Loans Payable

- 1) AVP was a borrower on a demand line of credit with a bank, to a maximum of \$200,000. Interest was at the bank's prime rate plus 1.5 percent. In June, 2010, an amendment (the "Amendment") to the loan documents was executed. Under the Amendment, the payment terms changed, resulting in 60 monthly payments of fixed principal in the amount of approximately \$3,000, plus accrued interest. The maturity date of the loan is May, 2015. The interest rate is a variable rate at the bank's prime rate plus 2.50%. At June 30, 2010, the balance on the line of credit was \$ 179,994. The interest rate at June 30, 2010 was 5.75%.
- 2) During the fiscal year ending June 30, 2010, an interest free loan was made to AVP by a board member. At June 30, 2010, the outstanding balance on the loan amounted to \$50,000.
- 3) During the fiscal year ending June 30, 2010, a loan was made to AVP by a non-profit organization. At June 30, 2010 the outstanding balance on the loan amounted to \$65,000.

Note F – Commitments and Contingencies

The Agency leases real property for program and administrative purposes. Rental expense amounted to approximately \$243,000 and \$235,000 for the years ended June 30, 2010 and 2009.

- 1) Approximate future minimum annual rental commitments under noncancelable rental lease obligations are as follows:

For the years ended June 30, 2011	\$ 254,000
2012	261,000
2013	269,000
2014	277,000
2015	<u>213,000</u>
Total	<u>\$ 1,274,000</u>

AVP records rent expense on the straight line basis as required under accounting principles generally accepted in the United States of America. Deferred rent expense amounted to \$166,562 and \$165,172 at June 30, 2010 and 2009, respectively.

- 2) A substantial amount of the Agency's revenues are government reimbursements. Revenues and related expenses are subject to audit verification by the funding agencies. The accompanying financial statements make no provision for possible disallowances. Although such disallowances could be substantial in amount, in the opinion of management, any actual disallowances would be immaterial.
- 3) The Agency has entered into various equipment lease agreements. The monthly cost approximates \$1,200.

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2010 AND 2009
(Continued)

Note G – Temporarily Restricted Net Assets

Temporarily restricted net assets are subject to the following restrictions at June 30:

	<u>2010</u>	<u>2009</u>
Purpose restrictions		
NCAVP	\$ 15,000	\$ 183,887
Communication and Outreach	8,640	22,205
Time restricted only		<u>75,000</u>
	<u>\$ 23,640</u>	<u>\$ 281,092</u>

Note H – Donated Goods and Services

Donated goods and services consisted of the following for the years ended June 30, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Hotline volunteers	\$ 222,511	\$
Professional fees	69,400	
Legal fees	51,378	
Lobbying fees	22,500	
Staff training and development	750	
Food and refreshments	939	
Special event expenses	<u>855</u>	<u>5,705</u>
	<u>\$ 368,333</u>	<u>\$ 5,705</u>

The Agency began to measure Hotline volunteers and Legal fees effective July 1, 2009.