

**NEW YORK CITY GAY AND LESBIAN
ANTI-VIOLENCE PROJECT, INC.
FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

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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, 2011 and 2010 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, 2011 and 2010 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

New York, NY
November 1, 2011

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2011 AND 2010

	2011	2010
ASSETS		
Cash and cash equivalents (Notes B and I)	\$ 6,428	\$ 59,296
Contributions receivable (Note C)	187,573	4,941
Government grants receivable (Note F)	208,106	421,305
Prepaid expenses and other assets	27,388	15,123
Property and equipment, net (Notes B and D)	56,795	104,067
Security deposits	18,672	18,672
TOTAL ASSETS	\$ 504,962	\$ 623,404
LIABILITIES		
Accrued expenses and other payables	\$ 179,000	\$ 159,848
Refundable advances	11,286	31,852
Loans payable (Note E)	140,996	294,994
Deferred rent (Note F)	145,998	166,562
TOTAL LIABILITIES	477,280	653,256
COMMITMENTS AND CONTINGENCIES (Note F)		
NET ASSETS (DEFICIT)		
Unrestricted (deficit)	(235,226)	(53,492)
Temporarily restricted (Note G)	262,908	23,640
TOTAL NET ASSETS (DEFICIT)	27,682	(29,852)
TOTAL LIABILITIES AND NET ASSETS (DEFICIT)	\$ 504,962	\$ 623,404

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

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010

	2011		2010	
	Unrestricted	Temporarily Restricted	Unrestricted	Temporarily Restricted
	Total	Total	Total	Total
SUPPORT AND REVENUE:				
Special events-revenue	\$ 188,396	\$ 188,396	\$ 121,809	\$ 121,809
Less: cost of direct benefits to donors	(31,980)	(31,980)	(26,342)	(26,342)
Net revenue from special events	156,416	156,416	95,467	95,467
Government grants (Note F)	1,201,400	1,201,400	1,406,674	1,406,674
Contributions	350,332	743,900	240,039	283,489
Bequests		393,568	73,891	73,891
Donated goods and services (Note H)	330,151	330,151	368,333	368,333
Other income	36,478	36,478	35,213	35,213
Net assets released from restrictions	(154,300)	(154,300)	(300,902)	(300,902)
TOTAL SUPPORT AND REVENUE	2,229,077	2,468,345	2,520,519	2,263,067
EXPENSES:				
Program services	1,783,490	1,783,490	1,578,613	1,578,613
Management and general	285,342	285,342	290,139	290,139
Fundraising and development	341,979	341,979	319,855	319,855
TOTAL EXPENSES	2,410,811	2,410,811	2,188,607	2,188,607
Change in Net Assets	(181,734)	57,534	331,912	(257,452)
Net Assets (Deficit) - Beginning of Year	(53,492)	(29,852)	(385,404)	281,092
Net Assets (Deficit)- End of Year	\$ (235,226)	\$ 27,682	\$ (53,492)	\$ 23,640
			\$	\$ (29,852)

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, 2011 AND 2010

2011

	Program Services	Management and General	Fundraising and Development	Total
Salaries	\$ 892,502	\$ 108,795	\$ 184,378	\$ 1,185,675
Payroll taxes and employee benefits	<u>174,842</u>	<u>21,312</u>	<u>36,119</u>	<u>232,273</u>
Total salaries and related costs	1,067,344	130,107	220,497	1,417,948
Professional fees and consultants (Note H)				
Hotline volunteers (Note H)	186,674	85,500	41,092	313,266
Occupancy	152,919			152,919
Special events (Note H)	206,135	25,128	42,585	273,848
Advertising	800		39,476	39,476
Travel and transportation	46,097	4,245	356	50,698
Printing and design	5,871	1,542	11,827	19,240
Equipment rental	9,222	1,191	1,905	12,318
Repairs and maintenance	13,572	3,050	1,485	18,107
Telephone and communication	23,280	3,798	1,662	28,740
Office and program supplies	11,050	1,617	282	12,949
Postage and mailing	1,376	751	4,288	6,415
Interest expense		10,886		10,886
Insurance	5,483	668	1,133	7,284
Staff training and development	4,083	2,338		6,421
Fees and assessments		10,183		10,183
Depreciation and amortization	35,584	4,338	7,351	47,273
Miscellaneous	<u>14,000</u>		<u>20</u>	<u>14,020</u>
Sub-total	1,783,490	285,342	373,959	2,442,791
Less: expenses deducted directly from revenues on the statements of activities				
Total Expenses	<u>\$ 1,783,490</u>	<u>\$ 285,342</u>	<u>\$ 341,979</u>	<u>\$ 2,410,811</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, 2011 AND 2010

	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)			26,342	26,342
Travel and transportation (Note H)	27,046	1,039	81	28,166
Printing and design	2,839		7,195	10,034
Equipment rental	8,806	966	2,190	11,962
Repairs and maintenance	16,332	2,388	6,870	25,590
Telephone and communication	19,543	1,551	3,516	24,610
Office and program supplies	8,714	755	1,710	11,179
Postage and mailing	888	1,585	1,442	3,915
Interest expense		10,966		10,966
Insurance	4,625	508	1,150	6,283
Staff training and development (Note H)	7,231	1,290	124	8,645
Fees and assessments	3,020	12,585		15,605
Depreciation and amortization	53,148	5,832	13,215	72,195
Miscellaneous	423	12,946	69	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 CASH FLOWS
FOR THE YEARS ENDED JUNE 30, 2011 AND 2010**

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 57,534	\$ 74,460
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	47,273	72,195
Deferred rent	(20,564)	1,390
Changes in operating assets and liabilities:		
(Increase) decrease in assets:		
Government grants receivable	213,199	(27,831)
Contributions receivable	(182,632)	98,653
Prepaid expenses and other assets	(12,265)	(8,157)
Security deposits		410
Increase (decrease) in liabilities:		
Accrued expenses and other payables	19,152	(265,503)
Refundable advances	(20,566)	(4,009)
Net Cash Provided (Used) by Operating Activities	101,131	(58,392)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from loans payable	96,000	253,650
Principal repayments of loans payable	(249,998)	(206,050)
Net Cash (Used) Provided by Financing Activities	(153,998)	47,600
NET DECREASE IN CASH AND CASH EQUIVALENTS	(52,867)	(10,792)
Cash and cash equivalents - beginning of year	59,296	70,088
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 6,429	\$ 59,296
Supplementary Disclosure of Cash Flow Information:		
Cash paid during the year for interest	\$ 10,886	\$ 10,966

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, 2011 AND 2010**

Note A – Organization and Nature of Activities

The New York City Gay and Lesbian Anti-Violence Project, Inc ("AVP") (the "Agency") 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 trained volunteers, provide crisis intervention, safety planning, counseling and advocacy to individual survivors of violence 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 ("National Coalition of Anti-Violence Programs") which is a national coalition of programs that addresses the pervasive problem of violence committed against and within the LGBTQH throughout the United States.

The Agency receives its principal revenue from governmental sources and contributions from the general public.

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 November 1, 2011.

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, 2011 AND 2010
(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.

Unconditional promises to give that are expected to be collected in future years have not been discounted to present value as the discount amount is not material to these financial statements.

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.

Note C – Contributions Receivable

Contributions receivable consist of the following as of June 30, 2011 and 2010:

Unconditional promises to be collected in:

	2011	2010
Less than one year	\$ 72,573	\$ 4,941
One to five years	115,000	
	\$ 187,573	\$ 4,941

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010
(Continued)

Note D – Property and Equipment

Property and equipment consist of the following as at June 30, 2011 and 2010:

	Estimated Useful Lives	2011	2010
Computers	3 years	\$ 188,085	\$ 188,085
Furniture and equipment	5 years	188,749	188,749
Leasehold improvements	7 to 30 years	<u>227,652</u>	<u>227,652</u>
		604,486	604,486
Less: accumulated depreciation and amortization		<u>(547,691)</u>	<u>(500,419)</u>
		<u>\$ 56,795</u>	<u>\$ 104,067</u>

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, 2011, the balance on the loan was \$ 140,996. The interest rate at June 30, 2011 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, 2011 and 2010, the outstanding balance on the loan amounted to \$0 and \$50,000, respectively.
- 3) During the fiscal year ending June 30, 2010, a loan was made to AVP by a non-profit organization. At June 30, 2011 and 2010 the outstanding balance on the loan amounted to \$-0- and \$65,000, respectively.

Note F – Commitments and Contingencies

The Agency leases real property for program and administrative purposes. Rental expense amounted to approximately \$235,000 and \$243,000 for the years ended June 30, 2011 and 2010. Also, the Agency has entered into various equipment lease agreements.

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

	Office Rent	Equipment Rent	Totals
For the years ended June 30, 2012	\$ 261,000	\$ 1,080	\$ 262,080
2013	269,000	1,080	270,080
2014	277,000	270	277,270
2015	<u>213,000</u>		<u>213,000</u>
Total	<u>\$ 1,020,000</u>	<u>\$ 2,430</u>	<u>\$ 1,022,430</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 \$145,998 and \$166,562 at June 30, 2011 and 2010, 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.

NEW YORK CITY GAY AND LESBIAN ANTI-VIOLENCE PROJECT, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011 AND 2010
(Continued)

Note G – Temporarily Restricted Net Assets

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

	<u>2011</u>	<u>2010</u>
Purpose restrictions:		
NCAVP (also time restricted)	\$ 5,259	\$ 15,000
Communication and outreach		8,640
DV program support	5,000	
Bronx program(a)	<u>252,649</u>	
	<u>\$ 262,908</u>	<u>\$ 23,640</u>

(a) Includes \$181,000 that is also subject to time restrictions

Note H – Donated Goods and Services

Donated goods and services consisted of the following for the years ended June 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Hotline volunteers	\$ 152,919	\$ 222,511
Strategic plan fees	70,000	
Consultants	61,100	69,400
Legal fees		51,378
Lobbying fees	42,000	22,500
Staff training and development		750
Food and refreshments		939
Special event expenses	<u>4,132</u>	<u>855</u>
	<u>\$ 330,151</u>	<u>\$ 368,333</u>

Note I – Concentration of Credit Risk

The Agency maintains several bank accounts at a bank which is an institution insured by the Federal Deposit Insurance Corporation (FDIC) which provides unlimited coverage for non-interest bearing accounts effective December 31, 2010 and continuing through December 31, 2012. As of June 30, 2011 and 2010 there were no uninsured cash balances.