

**THE DESMOND TUTU PEACE FOUNDATION**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED**  
**DECEMBER 31, 2011 AND DECEMBER 31, 2010**

**The Desmond Tutu Peace Foundation  
Financial Statements**

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# Michael S. Libock & Co., LLC

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Certified Public Accountants

## Independent Auditors' Report

To the Board of Directors  
of The Desmond Tutu Peace Foundation

We have audited the accompanying statements of financial position of The Desmond Tutu Peace Foundation as of December 31, 2011 and 2010 and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the organization's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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 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 amount 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 audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material aspects, the financial position of The Desmond Tutu Peace Foundation as of December 31, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with generally accepted accounting principles in the United States of America.

Our audits were made for the purpose of forming an opinion of the financial statements taken as a whole. The accompanying functional information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information has not been subjected to the auditing procedures applied in the audits of the financial statements taken as a whole and accordingly we express no opinion on the accompanying functional information.

***Michael S. Libock & Co., LLC, CPA's***

Michael S. Libock & Co., LLC

July 9, 2012

Westwood, New Jersey

## **Independent Auditor's Report**

To the Board of Directors  
of The Desmond Tutu Peace Foundation

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Michael S. Libock & Co., LLC  
July 9, 2012  
Westwood, New Jersey

**The Desmond Tutu Peace Foundation**  
**Statements of Financial Position**

	December 31,	
	2011	2010
<b>Assets</b>		
Cash and cash equivalents	\$ 109,319	\$ 132,922
Grants receivable	<u>156,667</u>	<u>211,667</u>
Total Assets	<u>\$ 265,986</u>	<u>\$ 344,589</u>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
Due to the Desmond Tutu Peace Centre		\$ 63,750
Accrued expenses	\$ <u>3,925</u>	<u>63,750</u>
	<u>3,925</u>	<u>63,750</u>
<b>Net Assets</b>		
Unrestricted	142,061	109,508
Temporarily restricted	<u>120,000</u>	<u>171,331</u>
Total Net Assets	<u>262,061</u>	<u>280,839</u>
Total Liabilities and Net Assets	<u>\$ 265,986</u>	<u>\$ 344,589</u>

**See Auditors' Report and Accompanying Notes to Financial Statements**

**The Desmond Tutu Peace Foundation**  
**Statements of Activities and Changes in Net Assets**

	For the years ended			2010
	December 31,			
	2011			
	Unrestricted	Temporarily Restricted	Total	Total
Revenues and Support				
Contributions	\$ 130,989		\$ 130,989	\$ 314,620
Investment income	149		149	106
Other	38,750		38,750	
Total Revenues and Support	169,888		169,888	314,726
Expenses				
Program grant		\$ 29,500	29,500	10,000
Other program expenses	22,525		22,525	16,489
General and administrative expenses	53,656	21,831	75,487	56,692
Fundraising expenses	61,154		61,154	41,419
Total Expenses	137,335	51,331	188,666	124,600
Change in Net Assets	32,553	(51,331)	(18,778)	190,126
Net assets-beginning of year	109,508	171,331	280,839	90,713
Net assets-end of year	\$ 142,061	\$ 120,000	\$ 262,061	\$ 280,839

See Auditors' Report and Accompanying Notes to Financial Statements

**The Desmond Tutu Peace Foundation**  
**Statements of Cash Flows**

	For the years ended	
	December 31,	
	2011	2010
Cash Flows from Operating Activities:		
Change in net assets	\$ (18,778)	\$ 190,126
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Decrease (increase) in grants receivable	55,000	(70,000)
Decrease in grants payable	(63,750)	
Increase (decrease) in other liabilities	3,925	(1,982)
Net cash (used in) or provided by operating activities	(23,603)	118,144
Cash and cash equivalents-beginning of year	132,922	14,778
Cash and cash equivalents-end of year	\$ 109,319	\$ 132,922

**See Auditors' Report and Accompanying Notes to Financial Statements**

**The Desmond Tutu Peace Foundation**  
**Notes to Financial Statements**

**NOTE 1 – Nature of the Organization**

The Desmond Tutu Peace Foundation (the Foundation) was formed in December 1999. Its mission is to promote new modes of sustainable peace and values-based leadership in the United States and throughout the world, to promote the activities of peace-making, reconciliation, conflict resolution and leadership training in the United States of America and throughout the world, and to promote, as part of the cultural heritage of the people of South Africa, the human story of South Africa's faith communities in their complicity with an opposition to apartheid, and the triumph of humanity in those circumstances.

**Organization** - The Foundation is a nonprofit, tax-exempt organization. The Foundation is incorporated under the laws of the State of New York and is authorized to accept gifts, bequests, contributions and grants of property to carry out its organizational purpose. The Foundation generally does not administer programs of its own; instead it grants funds to a variety of charitable and nonprofit organizations to support their respective programs. A substantial portion of all grant disbursements is given to The Desmond Tutu Peace Centre in Cape Town, South Africa.

**NOTE 2 - Summary of Significant Accounting Policies**

**Accounting Basis** – The financial statements of the Foundation have been prepared on the accrual basis of accounting. Under accrual basis, revenues are recognized when earned, and expenditures are recognized when incurred.

**Basis of Presentation** - Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted Net Assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Foundation and/or the passage of time.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Foundation. Generally the donors of these assets permit the use of all or part of the income earned or related investments for general or specific purposes.



**The Desmond Tutu Peace Foundation**  
**Notes to Financial Statements**

**NOTE 2 - Summary of Significant Accounting Policies (continued)**

*Restricted and Unrestricted Revenue* – 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 and reported in the statement of activities as net assets released from restriction.

*Cash and Cash Equivalents* – For purposes of the statement of cash flows, the Foundation considers all unrestricted highly liquid instruments with an initial maturity of three months or less to be cash equivalents. The Foundation at times maintains cash balances that are in excess of Federal Deposit Insurance Corporation insurance limits.

*Donated Services* – Donated services are recognized if the service (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 Foundation.

*Use of Estimates* – Management uses estimates and assumptions in preparing financial statements. These estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

*Income Tax Status* – The IRS has determined that The Desmond Tutu Peace Foundation is exempt from United States income tax under section 501(c)(3) of the U.S. Internal Revenue Code. In addition, the Foundation qualifies for the charitable contribution deduction under section 170(b)(1)(A) and has been classified as an organization other than a private foundation under section 509(a)(1).

*Expense Allocation* – The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

**The Desmond Tutu Peace Foundation**  
**Notes to Financial Statements**

**NOTE 3 – Significant Contributors**

In 2010, two (2) Foundations have contributed a total of \$200,000. They are the main funding sources of the Desmond Tutu Peace Foundation.

**NOTE 4 – In-Kind Contributions**

The Foundation receives in-kind contributions related to office space, maintenance and utilities. In-kind contributions for the years ended December 31, 2011 and 2010 were \$123,727 and \$93,762, respectively.

**The Desmond Tutu Peace Foundation**  
**Schedule of Functional Expenses**

For the year ended December 31, 2011

	Program Expenses	General and Administrative Expenses	Fundraising Expenses	Total
Expenses:				
Program grant	\$ 29,500			\$ 29,500
Program consultants	1,624			1,624
Professional fees		\$ 7,912		7,912
Office supplies and expenses		8,659	\$ 8,659	17,318
Occupancy and maintenance-Donated (A)	18,559	55,677	49,491	123,727
Insurance	1,278	1,574	1,722	4,574
Travel	864	432	864	2,160
Bank and payroll charges		435	151	586
Miscellaneous	200	293	267	760
Repairs & maintenance		505		505
	<u>\$ 52,025</u>	<u>\$ 75,487</u>	<u>\$ 61,154</u>	<u>\$ 188,666</u>

(A) Donated by Dreyfus Health Foundation