

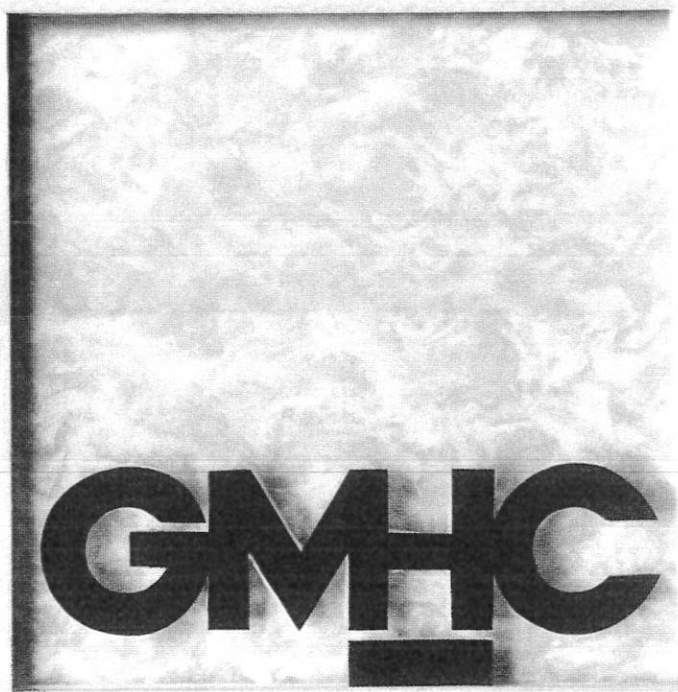
FIRST IN THE FIGHT AGAINST AIDS

Gay Men's Health Crisis, Inc.
1987-1988 Annual Report



"At a time when there were few who recognized or responded to the AIDS epidemic in this country, GMHC took the lead in providing AIDS education programs and coordinating health care services for people with AIDS. Today, GMHC remains a leader in all aspects of the fight against AIDS."

Senator Powell P. Weicker, Jr.





Members of the GMHC Board of Directors

(standing, from left)

Leonard H. Bloom, Esq.
 Joan Tisch
 Ronald Johnson
 Nathalie Weeks
 Bernard L. See, *Treasurer*
 James G. Pepper
 Dan Johnston
 Barbara Grande
 Sam Watters, *Secretary*
 Judith Peabody

(seated, from left)

Joy Tomchin, *Second Vice President*
 Nathan K. Kolodner, *President*
 Richard D. Dunne, *Executive Director*

(absent from photo)

Hon. Richard C. Failla, *First Vice President*
 Stash Santoro
 Steven Spector, *Treasurer-elect*

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Dan Bailey
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 Joe Paschek
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**deceased*

A Message From The President Of The Board And The Executive Director

Only a decade ago, it was widely believed that infectious diseases were no longer a serious problem in the developed world. The remaining challenges in the public health arena were thought to be non-infectious conditions such as cancer, heart disease and other degenerative diseases. That confidence was shattered in 1981 by the recognition of a new clinical entity, acquired immunodeficiency syndrome, and the discovery in 1983 of its causative agent, the human immunodeficiency virus.

From a handful of cases in early 1981 to more than 78,000 reported cases in the United States and hundreds of thousands of cases worldwide, AIDS is finally recognized as a world-wide, world-class epidemic. Current estimates indicate between 1 and 1.5 million Americans and millions of people around the world are infected with HIV. Because of the long latency period between infection and illness, AIDS will be with us for many years to come even if there were to be no new infections.

Considering that AIDS was recognized only several years ago and that HIV is one of the most complex and puzzling organisms on earth, the achievements of biomedical research have been astonishing. If AIDS had appeared only twenty years earlier, we would have been completely baffled, uncertain even how to begin and lacking the techniques and knowledge to isolate and identify HIV.

Yet we cannot be satisfied with scientific accomplishments to date. The work is only in the early stages and there is an unknown but long distance to go. Researchers cannot rest on their laurels and government

must provide the funds necessary to expand research along four separate but complementary lines: vaccine development, drugs to slow or stop the replication of HIV, treatments to prevent or slow the onset of opportunistic infections that plague people with AIDS, and techniques and agents to boost the immune system.

Even in the midst of our calamity, there is reason to be hopeful. Someday there will be safe, effective treatments for HIV infection and there will be a vaccine to prevent infection. But not tomorrow. Until that day, we must continue to rely on education -- education that is clear, explicit, appropriate and that begins as early in life as possible. There is ample evidence that such education works and GMHC has been a pioneer both in providing innovative programs and in evaluating their effectiveness.

Yet education by itself is not enough and part of our efforts to control AIDS must be directed at eradicating intravenous drug abuse, including the provision of adequate treatment programs and the elimination of some of the social and economic differentials that give rise to drug use.

There is reason to be hopeful, too, in the response of thousands of GMHC volunteers and supporters, people from all walks of life who have come forward, at great personal cost and sacrifice, and reached out to those in need. Whether as "buddies" or crisis intervention workers, group therapists or attorneys, hotline counselors or recreational specialists, fundraisers, city lobbyists or speakers, they have given comfort to people with AIDS and their loved ones, they have provided life-saving information, they have been outspoken and effective advocates and they have made a difference.



Nathan K. Kolodner
President



Richard D. Dunne
Executive Director



FIRST IN THE FIGHT AGAINST AIDS

In 1981, GMHC's founders and early volunteers were among a small vanguard providing services to persons with AIDS, educating those in danger of contracting AIDS, and calling for sound public health policies in response to AIDS.

Seven years later GMHC is still in the vanguard. But as the community of organizations and individuals battling AIDS grows, our value and our mission as an agency reach beyond pioneering. We are experienced care givers. Fledgling organizations, as well as established ones new to the arena of AIDS care and advocacy, see us as an inspiration and resource. We take that responsibility seriously.

Each year, the number of GMHC's clients increases; by July 1988 we had 2,300 clients. We anticipate a client caseload of 3,000 by the end of 1988. As more and more people become sick, the need for our services becomes ever more acute.

With no cure for AIDS in sight, education about how to avoid infection is a major priority for our work. We also distribute much-needed information about experimental drug therapies to people with AIDS, people with ARC and to their loved ones. And we must step up our educational efforts to oppose AIDS-related prejudice, for unjustified discrimination not only hurts individuals but perpetuates an environment of ignorance which threatens public health at large.

Since 1981, GMHC's most valuable asset has been its dedicated volunteers. These thousands of caring individuals continue to be the main source of our strength. The dedication of so many men and women, from all walks of life, makes GMHC a leader in the struggle against AIDS.

Among those volunteers is the Board of Directors - a working board, rather than a letterhead board. This summer, thanks to years of planning, negotiating and fundraising by board members, we moved into our own building. Like GMHC's every important accomplishment, the building is a result of volunteer effort. And it reflects our growth and stability as an organization - and the continuing commitment of volunteers and staff to serve in the difficult years ahead.

CLIENT SERVICES



"GMHC's Recreation Program has been a vital and integral part of the lives of people with AIDS. The New York City Opera is pleased to work with GMHC so that people with AIDS can enjoy the city's diverse cultural activities."

Beverly Sills, General Manager
The New York City Opera

Improved medical treatments have significantly affected the length and quality of most clients' lives. Clients who now live and work longer require different and often expanded services to meet their recreational, financial and emotional needs. GMHC has demonstrated a flexibility and a sensitivity to these changes, and in the past years hundreds of professionals who provide AIDS-related care have turned to us for advice and training.

Intake and Client Management Unit

Client management staff helps a client to chart an individualized path through our array of client services. Our intake volunteers are there from the start, and remain the client's principal link in communicating with other parts of the agency.

Intake volunteers assess the long-range support systems a client is likely to need as well as his or her more immediate short-term needs. Then, in tandem with the client, we work out a comprehensive treatment and referral plan that may include the services of other organizations. Consequently, GMHC's intake volunteers must be extremely well-informed and well-trained and acquainted with all available options of AIDS care. This year we compiled a computerized roster of available services to facilitate our referrals; we intend to publish this valuable resource soon.

Client management staff keeps track of clients once they've completed the

intake process. We continually review clients' records, contacting more than 200 clients a month to determine how well we are meeting their needs and to see if they require additional services.

Crisis Intervention Services

A person diagnosed with AIDS usually faces a series of practical and emotional crises: dealing with the diagnosis, telling family and friends, decisions about sex, dilemmas about treatment. In Crisis Intervention Services, we match up a client with a volunteer, who supports him or her in dealing with the illness.

Buddies assist in tasks of daily life: shopping, doing dishes, walking the dog. Crisis intervention workers focus on the current needs of the client. Oftentimes the work overlaps, depending on those needs. These very special volunteers act as supportive listeners, liaisons with the health care system and sources of information for the client. Hundreds of these volunteers are organized in geographically-based teams, which meet monthly to share information, solve problems and support each other.

In one example, Brad came to GMHC to get help in telling his family about his diagnosis. Susan, an experienced crisis intervention worker, was assigned to Brad. The two discussed his fears and anxieties, and played out possible scenarios. Susan supported Brad's desire to communicate with his family, and two

months later he spoke to them as he had planned. He and Susan have become friends.

Recreational Services

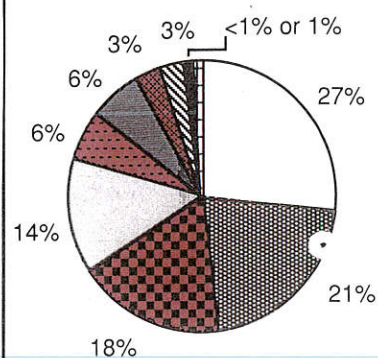
Clients want activities that stimulate physical and psychological well-being and promote social interaction. In response, we have developed recreational programs that emphasize client empowerment. We offer new client-run educational classes, group meals and cultural events. With the addition of these programs, participation in Recreation Services soared 200% over last year's attendance.

Because of this success, other agencies that provide AIDS care consult us for our expertise. During the past year, we helped several states and agencies develop sound recreational programs. Also in the past year, we won the prestigious Volunteer Service Award of the Metropolitan New York Recreation and Park Society.

Financial Advocacy

Financial advocates identify systemic problems with city, state and federal entitlement programs and advocate change. We also assess clients' eligibility for benefits, and educate clients and volunteers in the benefits application process. We provide emergency funds for clients unable to afford food, transportation

NEW SERVICES PROVIDED
July 1, 1987 - June 30, 1988



- Recreation
- Financial
- Legal
- Group Services
- Buddy
- CIW
- CMP
- Telephone Team
- Ombudsman
- Pediatric

This chart reflects the number of services provided in response to new requests from clients. It does not reflect ongoing services provided to clients before July 1987.

and other necessities.

This year, after a comprehensive survey of our clients, we restructured our existing programs and added some new ones, including:

A seminar for employed clients that provides a preview and overview of entitlement programs to familiarize clients with the benefits process before they actually need to use it;

A telephone service that ensures immediate access to a financial advocate for all callers, regardless of whether or not they are GMHC clients;

A series of fact sheets, provided to each client, that explains how to apply for a particular benefit and what to expect after applying. These programs are making benefits more accessible to everyone. Over 60 clients a month attend the benefits seminar, which is held biweekly. Since the telephone service began in April, 1988, the financial advocacy staff has counseled an average of 800 callers a month. And social workers at city hospitals and agencies use our "fact pack" of benefit sheets to demystify the entitlement process for their many clients.

Group Services

Our clients and their care partners must cope with the psychological stress that an AIDS diagnosis spawns as well as with physical and financial trauma. The 70 therapists who staff Group Services assist 750 clients a month in their struggle against anxiety, despair and confusion. The therapists, whose number has increased by 30%



The Recreation Program (top) provides a place for clients and volunteers to socialize, relax or even exercise hidden culinary talents. Team meetings allow buddies and CIW's to share information, get help in solving problems and lend each other support.

since last year, co-lead 50 weekly groups for care partners, groups for parents, and a walk-in service. This year we maintained those programs while expanding our couples counseling and initiating separate groups for the newly diagnosed and the bereaved.

Group Services does not limit its work to GMHC's clients. We take an active role in educating others, especially other mental health care professionals. To this end, we held a series of lectures on AIDS and mental

health and produced a comprehensive resource guide for people with asymptomatic HIV infection.

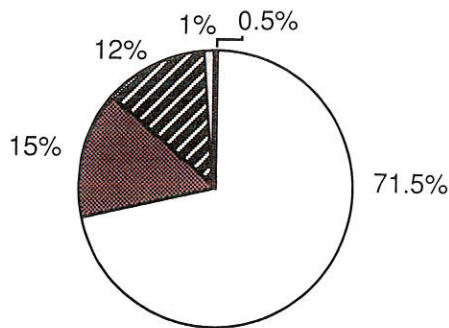
This team of 18 buddies works with approximately 21 children and their families.

For example, Pamela celebrated her tenth birthday with her pediatrics volunteer, Darryl. The two have worked together for three years since Pamela was diagnosed. They have struggled together against inhumane foster care policies and hospital procedures, as well as Pamela's serious health problems. With Darryl's help, Pamela has courageously faced formidable challenges.

Pediatrics

As increasing numbers of children in the New York area are diagnosed with HIV-related illness, growing numbers of pediatric clients come to GMHC, and we have organized a team of buddies to work with these children.

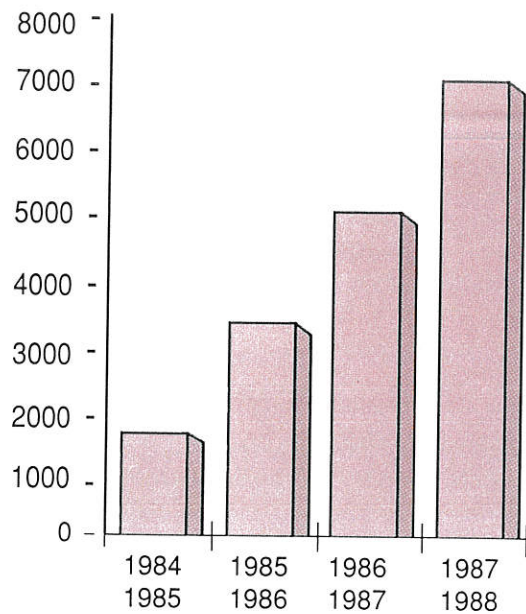
WHOM WE SERVE



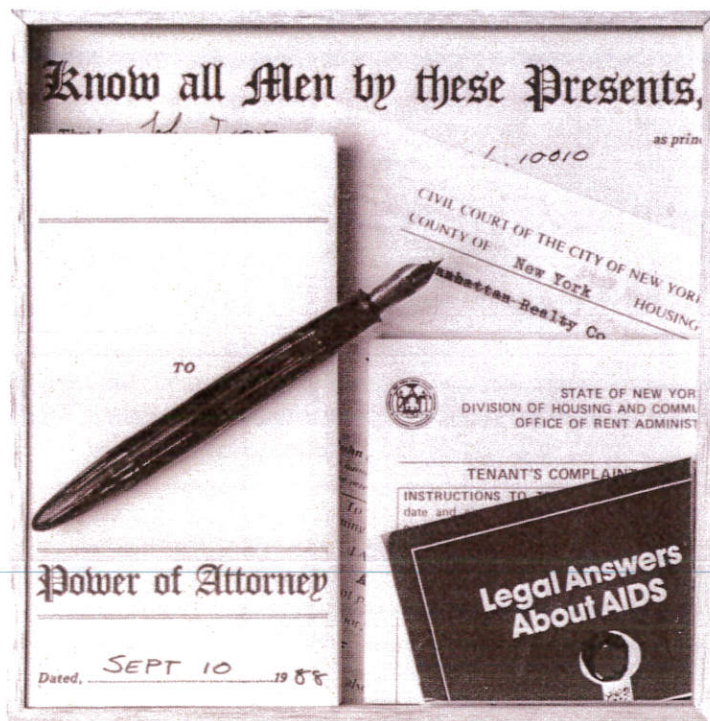
- White
- Native American (0.3%)
- Hispanic
- Indian (0.1%)
- Black
- Eurasian (0.1%)
- Asian-American

- Statistics represent all new GMHC clients from Sept. 87 through Sept. 88.
- Our current active caseload of clients as of Sept. 88, is 2,383.

TOTAL CLIENTS SERVED



LEGAL SERVICES



"GMHC is one of many programs providing legal services to those in need that are supported by Debevoise & Plimpton's pro bono program.

GMHC was among the first organizations to recognize that AIDS had critical legal, as well as medical, implications. We join other attorneys in supporting the important assistance GMHC provides to people with HIV infection."

Debevoise & Plimpton

The GMHC Legal Services Department is one of a few programs in the U.S. to offer, without charge, a wide range of legal services to people with AIDS or ARC. We help clients with wills and powers of attorney, with problems involving discrimination, insurance, landlord-tenant and debtor-creditor conflicts, probate and immigration.

A group of 274 volunteer attorneys -- one hundred more than last year -- provides these services. The increase reflects our good reputation in the legal community for efficiency and effectiveness and the dedication of so many lawyers. The increase is also due to our department's outreach in the last year to the *pro bono* programs of the city's large law firms, bar associations and legal service groups.

The caseload of Legal Services increased 12% over the previous year, with new clients numbering 1,400. The increased life-expectancy of persons with AIDS means that our clients are faced with recurring legal problems, and our help is now needed on an ongoing basis.

Estate planning remains our primary service: we helped with the drafting of 1,400 wills, living will declarations and medical powers of attorney.

Insurance discrimination cases were up sharply, with insurance carriers frequently refusing to pay claims based upon clients' alleged misrepresentation on applications, and alleged pre-existing conditions. Health insurance companies often balked at paying clients' AZT claims, despite the drug's approval by the federal Food and Drug Administration.

But we were extremely successful in obtaining coverage for these claims.

Landlord-tenant problems were numerous last year, with many clients served dispossess notices. The Legal Services staff continued to work closely with GMHC's Financial Advocacy staff, and with the staff of New York's Human Resources Administration, to assist clients in paying their rent. The rights of survivors were at issue in many situations where deceased persons held the lease on shared apartments. Despite many landlord-tenant problems, none of our clients were evicted, which was in keeping with our past record.

Policy Issues

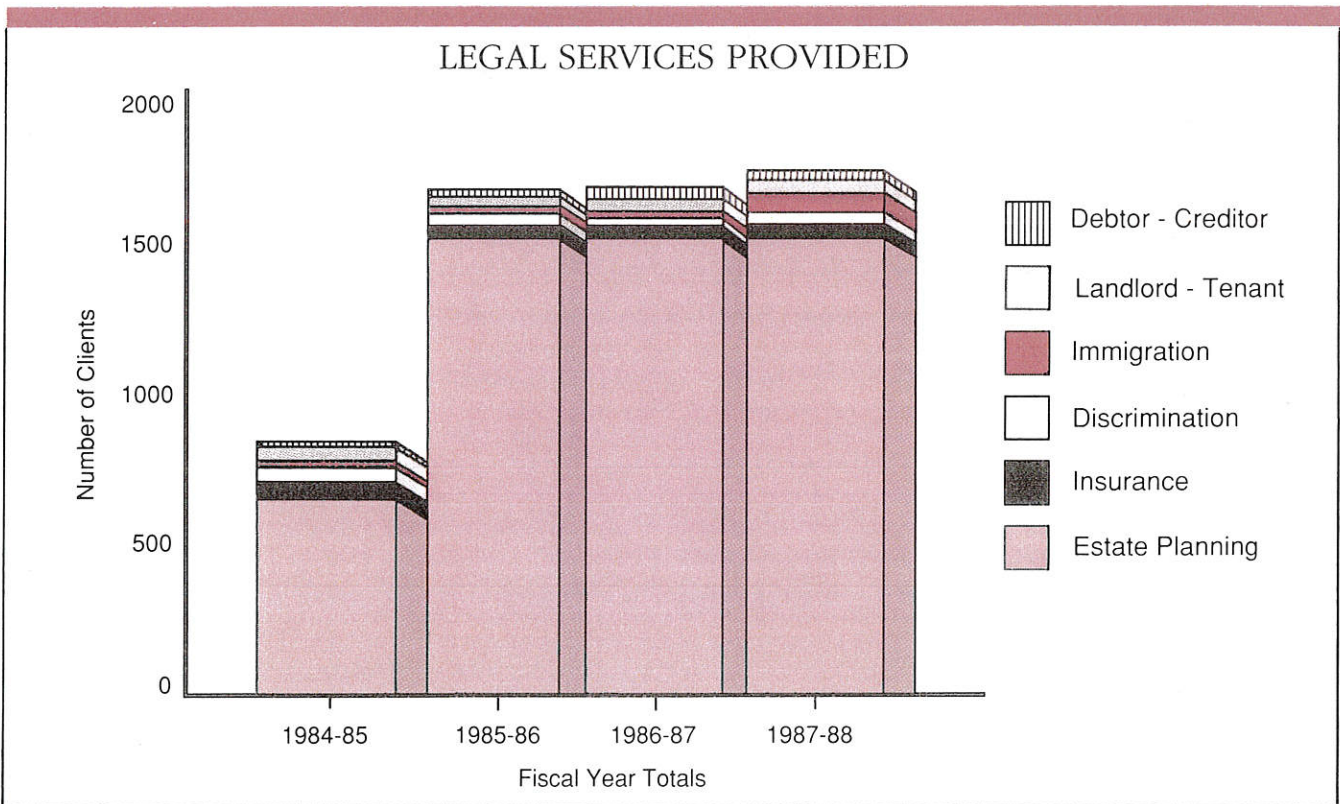
The Legal Services staff spoke on AIDS-related legal issues to audiences of health care providers, attorneys, workplace managers, professionals in the AIDS service field, students and the general public. We wrote essays and opinion pieces for newspapers, magazines and books.

A major priority of our work was advocacy on the public policy issues that affect our clients. We worked closely with GMHC's Policy staff, analyzing dozens of policies and proposed bills.

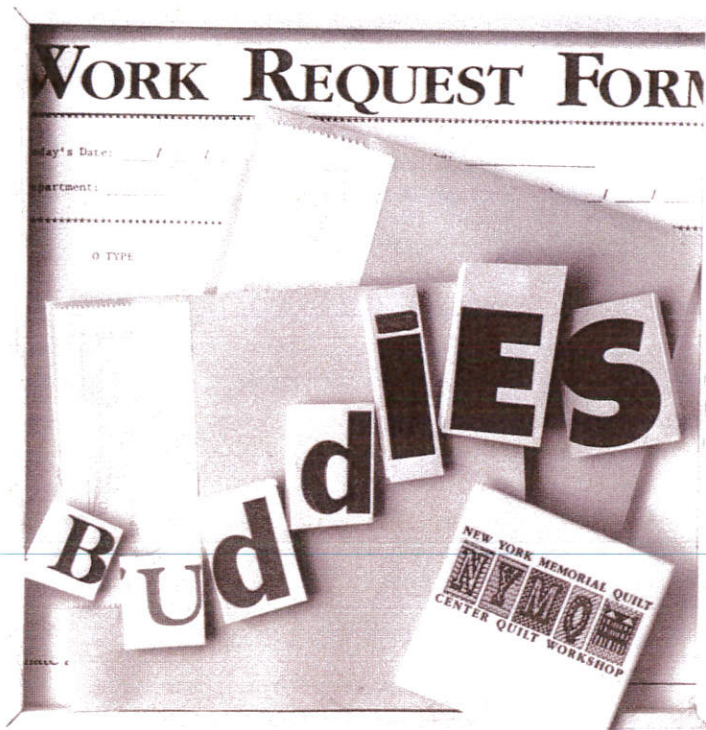
For example, GMHC's Legal Services

staff worked closely with our Policy Department, the staff of Lambda Legal Defense Fund and the Governor's staff to persuade the state Insurance Commissioners to prohibit the use of HIV tests in determining eligibility for health insurance. Unfortunately, the new regulation has been challenged in the courts by the insurance industry.

The Legal Services director testified on the Health Care Agents Bill, which would allow an individual to designate someone to make medical decisions on his or her behalf. He also testified about the need for the New York State court system and their employees to establish fair rules for the treatment of HIV-infected persons.



VOLUNTEER OFFICE



"As AIDS touches each community in New York City, hospitals and community organizations are realizing the critical role volunteers can play in these communities. GMHC is leading a coalition of AIDS-service organizations to bring out more volunteers to help in all parts of the city. Their dedicated volunteer force had been an inspiration to us all in this important endeavor."

United Hospital Fund

Last year, 200 people called GMHC every month to ask about volunteering. The Volunteer Office staff interviews, screens and places new volunteers.

In our orientation program, new volunteers receive a detailed introduction to the organization's departments and activities, then sign up with the department that most interests them. Each department trains its own volunteers.

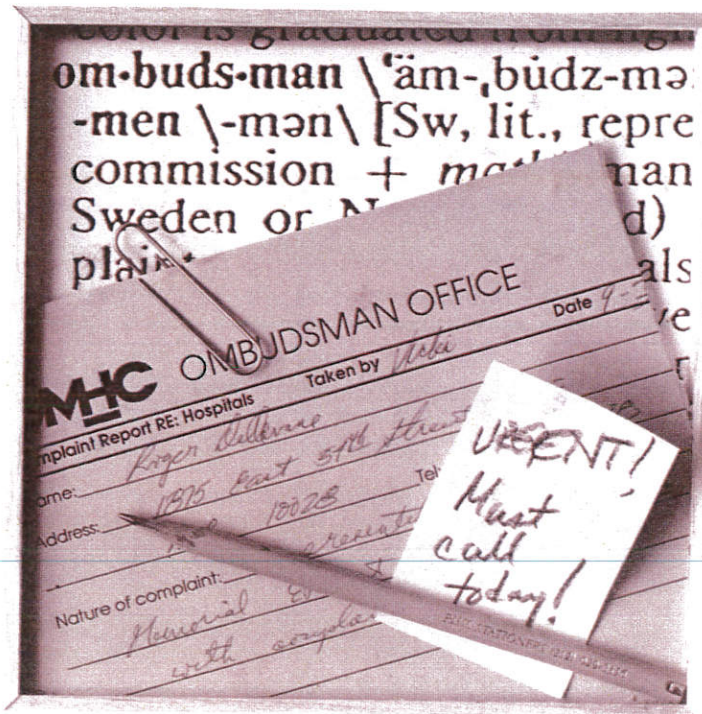
The introduction of computers will allow the Volunteer Office to track volunteers more effectively from initial application through orientation, training, placement and exit interview. Computers will likewise expedite the creation of a volunteer job-skills bank and referral system.

In the past year the Volunteer Office concentrated on building coalitions with other volunteer organizations and on sharing information with them. For the past two years we received national exposure when GMHC's Volunteer Coordinator spoke at the National Volunteer Conference, describing GMHC's successful volunteer model to more mainstream groups.

We contacted the staffs of many community-based volunteer groups focused on AIDS, in the New York area and nationwide. By participating in a number of coalitions, we are helping to plan volunteer recruitment to meet projected needs through this decade.

In 1988 the Volunteer Office received so many applicants that we were able to direct numerous volunteers to the city's other AIDS service groups.

OMBUDSMAN'S OFFICE



"The Ombudsman's Office of GMHC is a valuable partner with Citizen's Committee for Children in working on the unique difficulties of children with AIDS.

The Ombudsman's staff knows the complex health and social needs of these ill children and has helped lead advocacy efforts to meet the emergency confronting these children."

Citizen's Committee for Children of New York

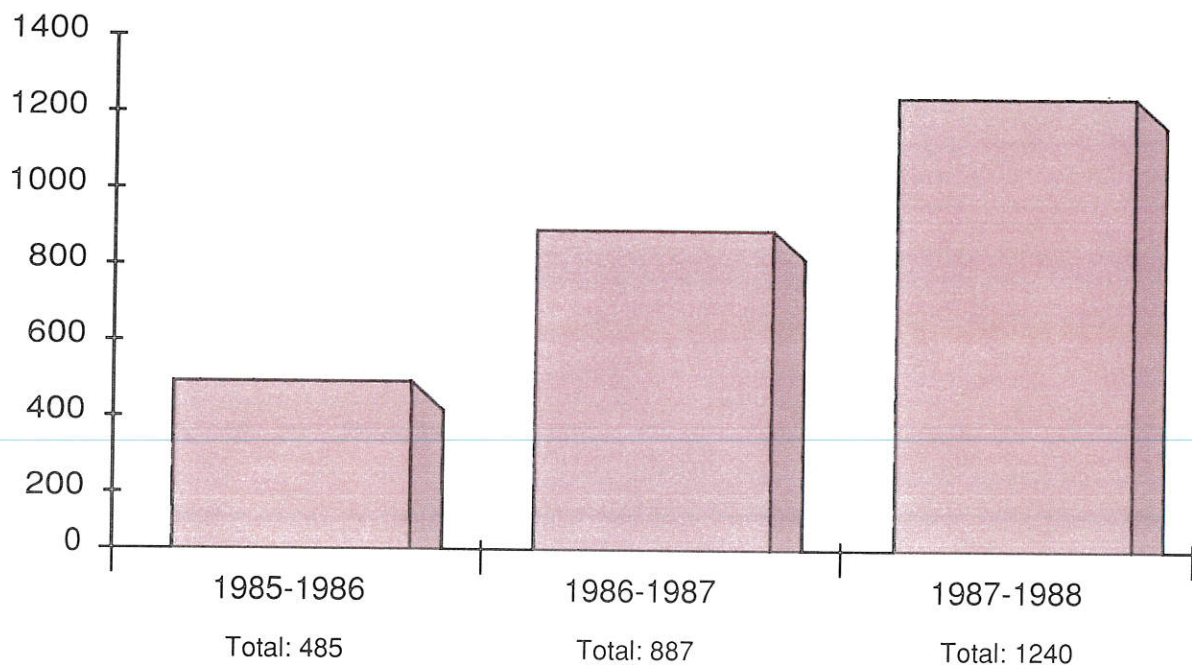
The Ombudsman's Office provides advocacy services for persons with AIDS and ARC and for their care partners. We act as go-between, mediator and investigator, helping to solve problems in the health care and social service systems.

Last year we dealt with hospitals, home care providers, pediatrics units, insurance companies and public and private benefits systems. The types of problems we addressed included access to dialysis and mental health programs, and the special difficulties encountered by persons with AIDS in the military and in prison.

This year the Ombudsman's Office handled 63% more health-related complaints than we did the previous year. Over the last three years client complaints to the Ombudsman's Office have increased 60% per year.

When we recognize a trend in complaints or a problem that is likely to provoke such a trend, we attempt to orchestrate solutions that benefit our clients as a group. This year, for example, we recognized that at least 40% of the persons taking AZT would require blood transfusions to counter the drug's side effects. In the past, such transfusions usually required inpatient admission to a hospital, an unnecessary, time-wasting imposition on working people with AIDS and ARC. A volunteer, therefore, canvassed fifteen city hospitals to ascertain the availability of outpatient services for blood transfusions, and to detect any discrimination accompanying the service. It was learned that hospitals with numbers of persons receiving AZT have started

TOTAL CLIENTS' COMPLAINTS AGAINST HEALTHCARE PROVIDERS HANDLED



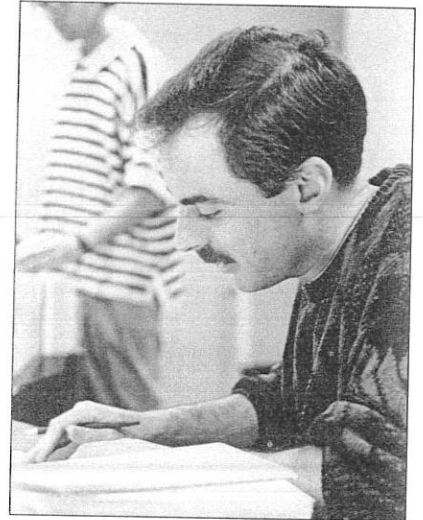
outpatient transfusions, and we are now able to refer our clients to these hospitals.

When solving problems requires a united front with other GMHC departments or outside agencies, the Ombudsman's Office coordinates the effort. For example, GMHC joined many groups to protest the high cost of AZT and to facilitate the state's reimbursement to pharmacies that dispense the drug.

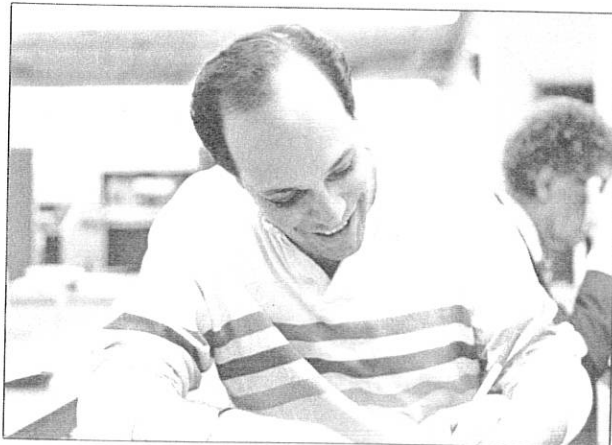
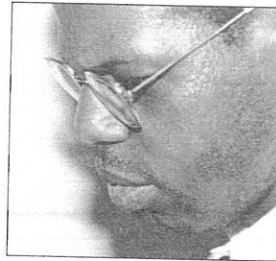
We helped form a coalition of children's advocates that sponsored a conference on pediatric AIDS. The meeting resulted in a strong call for reforms to benefit children with AIDS and their caretakers.

We also supported a new cooperative that makes prescription drugs available to people with AIDS at reduced rates. Plans are underway to expand this service to include elderly citizens and their prescription drug needs -- an example of how GMHC's models benefit many Americans.

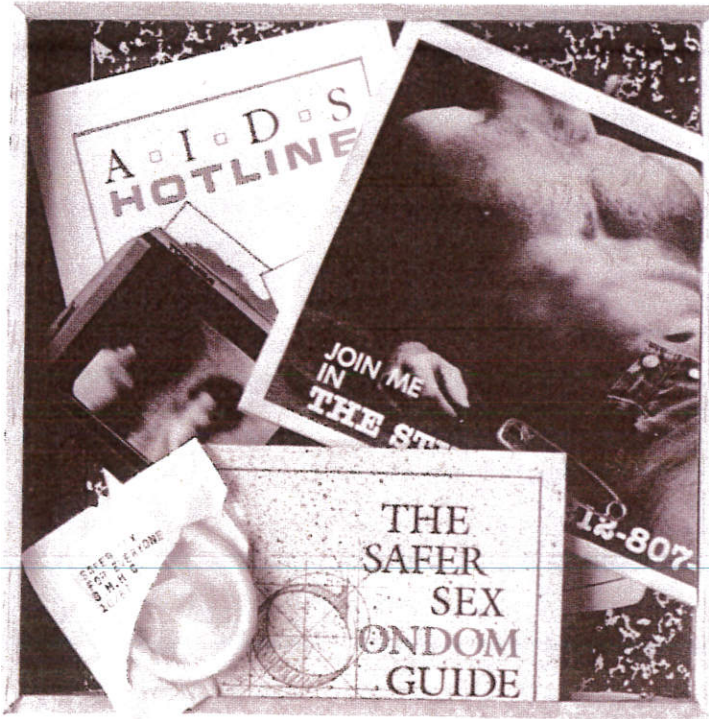
To respond to the larger number of complaints expected next year, the Ombudsman's Office will have to expand. A team of client representatives will be hired to provide immediate response to individual complaints. We will thereby be able to devote more attention to system-wide problems and to advocate for policy change.



GMHC Volunteers come from all walks of life and from all communities for one purpose: to join in the fight against AIDS. No matter how large the agency grows, it will always depend on these selfless, giving individuals.



EDUCATION



"The New York Division of the U.S. Postal Service is pleased to have been of assistance to GMHC, since AIDS should be a matter of concern to all. The public needs to be made aware of the seriousness of this disease and to know where to go for help."

New York Division, U.S. Postal Service

The Education Department at GMHC has a formidable and pressing task: to help New Yorkers live safe, satisfying lives in the city hardest struck by the AIDS epidemic. The 21 members of this staff and the 387 volunteers who work with us seek out the most effective means of reaching target populations and then employ those means. If that calls for producing a television program, we have an audio-visual team.

People struggling with the overt fear, vague anxieties and blanket frustration of living with a deadly virus need information. We strive to educate them and to educate others to do the same.

Outreach Services

The aim of Outreach Services is to reach people where they live and play. We reach out in a variety of ways: through the Hotline, through tabling, and through one-on-one peer counseling.

Our community outreach volunteers this year clocked in 3,282 hours at 516 information tables throughout New York City. They reached 31,546 people at 192 locations as diverse as the Franklin D. Roosevelt Post Office in Manhattan, the 8th Annual Hispanic Parents Conference in Brooklyn, LaGuardia Airport in Queens and the Adult Track Meet and Fitness Fair on Randall's Island.

Determined to reach minority youth, we distributed safer sex literature to vocational schools in all five boroughs.

Targeting the Lower East Side's IV drug users and their sexual partners, as well as local young people and ethnic minorities, we set up the "Laundromat Project," where volunteers gave AIDS prevention materials to people doing their wash.

The GMHC Hotline, our first service, remains a prime tool for dispensing information. This year our hotline counselors put in nearly 7,000 hours answering nearly 50,000 calls. Women made 25% of those calls; heterosexuals 15%. Through an innovative service, deaf callers also gained access to the hotline this year.

We frequently receive inquiries from organizations which have been inspired to start up their own hotlines in response to our success. The National AIDS Hotline, recognizing the expertise of our staff, has invited us to lead hotline workshops.

Outreach Services is particularly adept at developing informed strategies to address still emerging or predicted issues in AIDS education. In 1986, before the term "HIV-positive" was even coined, we anticipated that HIV-infected New Yorkers would be hungry for information about maintaining their good health. In response, we started a walk-in peer-counseling service called "The A-Team." Two years later, A-Team participation has jumped 46%, confirming the need for this pioneering service.

Outreach Services tabling has become an invaluable means of getting AIDS information to New Yorkers on the street.

Information Services

Information Services staff and volunteers educate the public and other educators via literature campaigns and the highly visible Speakers' Bureau, which made 450 presentations to more than 25,000 people this year. In special training programs, we taught professional and peer counselors how to respond to clients, and trained nurses and home care workers in ways to care for persons with AIDS.

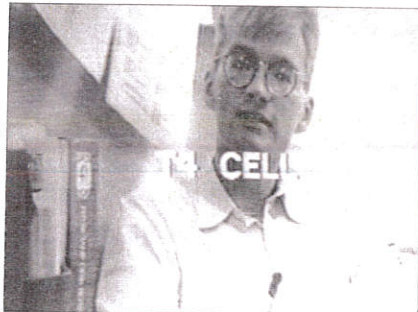
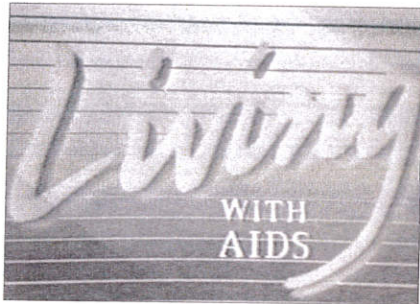
This year, distribution of literature doubled. Responding to more than 6,500 requests for information, volunteers gave out over 750,000 pieces, including thousands of brochures given away by the New York Public Library System and post offices.

Publications

We now annually distribute three million pieces of GMHC publications, including the AIDS education works *Medical Answers About AIDS*, *Women Need To Know About AIDS*, *AIDS Hotline*, *When A Friend Has AIDS*, and *I Can't Cope With My Fear Of AIDS*. Many of these publications are used by a number of AIDS, social service and public health organizations throughout the U.S. and Europe.

Our poster, *A Rubber Is A Friend In Your Pocket*, often accompanies reports in the mainstream press on AIDS education, and has been seen displayed in cities in this country and abroad. Because of their explicit language, our *Safer Sex Comix* were denounced in the U.S. Senate, but





Scenes from GMHC's award winning weekly cable show, "Living With AIDS."

continue to be praised by public health educators as a highly effective means of communicating basic AIDS prevention information to an otherwise unreachable population. Our *Safer Sex Condom Guide For Men And Women* illustrates clearly how to use condoms as barriers to virus transmission.

Audio-Visual Services

Audio-Visual Services seeks to sensitize the public to AIDS-related issues via audio-visual media. We produce "Living With AIDS," the only weekly cable TV program in New York City to focus on the epidemic. One program, "Women And AIDS," is now being used around the country to train service professionals and volunteers. We also screen videotapes at Safer Sex forums and maintain a video library frequently used by staff and volunteers. And we've started interviewing the founders of GMHC for a future program on the organization's history.

Training Services

Our three-day training session for new volunteer crisis-intervention workers, care partners and buddies has garnered worldwide acclaim for its effectiveness. It sums up our knowledge of the psychological and financial aspects of AIDS and how they affect clients. It also helps volunteers deal with their fears about

this life-threatening illness.

Last year we accomplished a major objective in compiling a training manual that draws on the experience of the last seven years and on the contributions of the more than two dozen facilitators. We also produce a special training manual for Hotline volunteers.

In all these efforts we aimed at systematizing our successful training methods. This consolidation is symbolic of our move from "learning by doing" to a more methodical model suitable for replication by other care providers. In this way we greatly enhance our services to people with AIDS.

AIDS Prevention Program

The AIDS Prevention Program provides educational seminars, workshops and forums focusing on HIV transmission and safer sex information. This year we educate peer counselors on AIDS-related issues in a series of Professional Training Forums developed by GMHC in collaboration with the American College Health Association. We also presented six immensely popular Safer Sex Forums and an extensive "Men Meeting Men" workshop designed to help gay men develop personal relationships with other men in a safe sex context. We continued to present AIDS prevention programs at two bathhouses in New York City, reaching 1500 persons. Gay men constituted the primary focus of these risk reduction campaigns, and we're proud

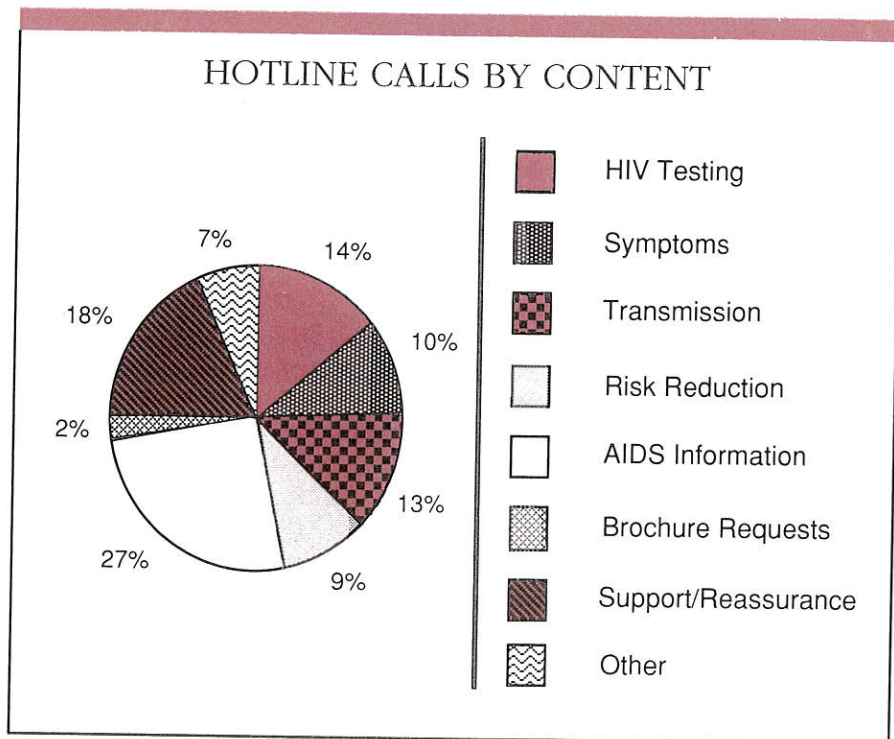
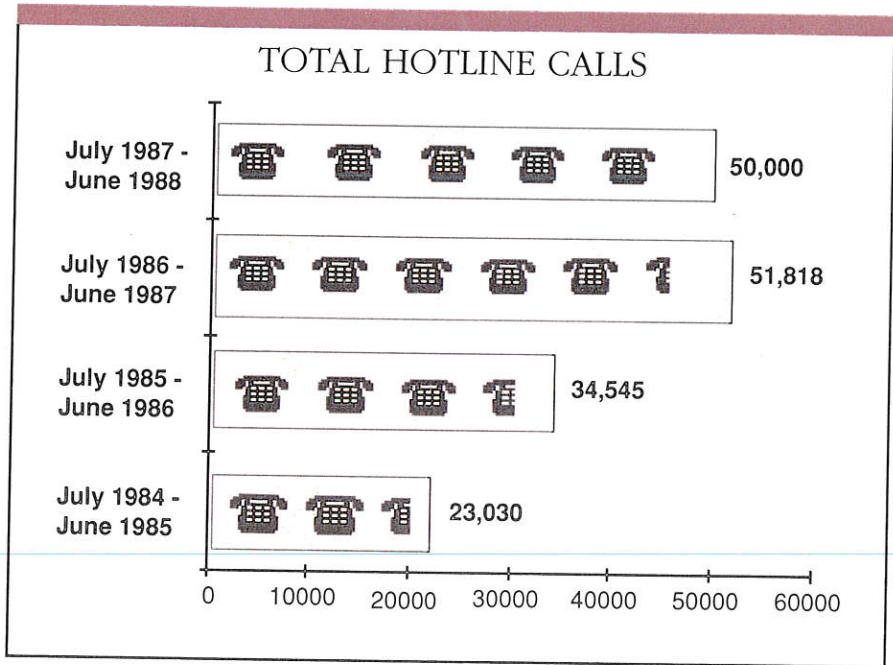
to have had great success in helping to educate them.

Research Program

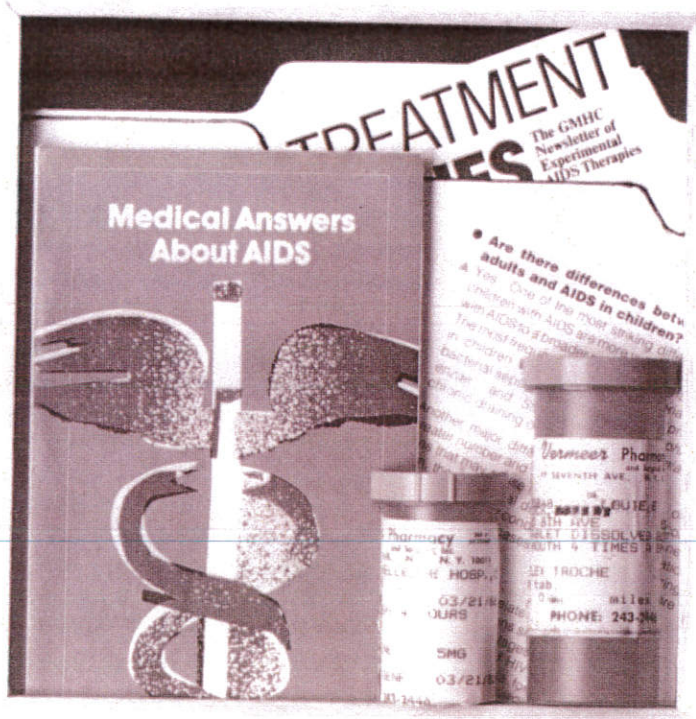
The Research Program evaluates the effectiveness of different AIDS prevention methods. A nationwide debate was touched off when our research indicated that the most sexually explicit education has the most successful AIDS prevention effect. The need for sexually explicit, culturally appropriate educational materials (like those offered by GMHC) was upheld by reports issued by Surgeon General C. Everett Koop, the National Academy of Sciences and the Presidential Commission on the HIV Epidemic.

In July, 1988, our Research Program completed its 27-month federally-funded education evaluation project. Our final report discusses the most effective ways to encourage health-enhancing behavioral change. The national debate on AIDS prevention materials continues with GMHC playing an important role as advocate for the most effective measures.

GMHC's innovative educational research programs are often useful to other AIDS and public health organizations. One such program focused on residents in two New York City drug treatment facilities. Another program, which was designed in collaboration with the New York City Department of Corrections, will be used among prisoners on Rikers Island who request placement in wards for homosexuals.



MEDICAL INFORMATION



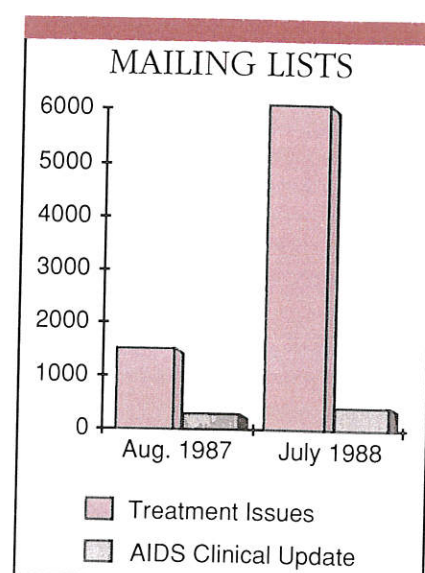
"GMHC has established itself not only as the premier local service provider, but also as a national leader in the fight against AIDS.

The especially excellent work of the Medical Information Department has provided an unparalleled resource for people with AIDS and for health policy makers at the local, state and federal levels."

Congressman Ted Weiss

People with AIDS need current, reliable medical information when they make treatment decisions with their physicians. The Medical Information Department was established in July, 1987 to help persons with AIDS take a well-informed, active role in their own treatment.

Our department's publication, *Treatment Issues*, is a newsletter on experimental AIDS therapies, one of the first and most complete in the world. Produced every six weeks, it presents early results of medical studies, often reporting these results for the first time. The newsletter's mailing list has grown to 7,000, with requests coming in from five continents. Most readers are persons with AIDS, but a substantial number are researchers, clinicians or politicians involved in health care policy or institutions such as schools, libraries



and AIDS service organizations.

Another of our publications, *AIDS Clinical Update*, is a quarterly compilation of notable medical journal articles on AIDS. We send the publication to more than 500 clinicians and researchers who don't themselves have time to survey the large medical literature on AIDS. The response to *AIDS Clinical Update* has been extremely positive.

Medical Information staff frequently speak at conferences, give interviews to the media, and represent GMHC before Congressional committees. In testimony before the Presidential Committee on the HIV Epidemic we analyzed the inadequacy of federal programs to test, research and license experimental drugs. These same concerns were expressed in testimony before numerous Congressional committees and scientific meetings.

As an invited participant in meetings on clinical drug trials sponsored by the National Institutes of Health, the director of GMHC's Medical Information Department serves as a respected liaison between the community-based AIDS network and the medical establishment.

64 Demonstrators Arrested in Protest Of U.S. AIDS Policies

District Police Wear Rubber

D.C. police wear rubber gloves

F.D.A.'s Callous Response

Kramer

any of us who live in daily terror of the AIDS epidemic cannot understand why the Food and Drug Administration is so intransigent in the face of this monstrous tidal wave of safer response to what is in initial use at lower

The search is more complex than experts anticipated.

at his discretion. But it has not been shown that AZT will help more without hurting other groups of patients with AIDS-related symptoms. Experts are reluctant to condone

than five years. And it is not just men who are involved. In New York City, acquired immune deficiency syndrome is now the No. 1 killer of women between 25 and 29 years old, the No. 2 killer of women between 30 and 34 and the No. 3 killer of women between 15 and 19. Heterosexual women living in children, asymptomatic carriers of the AIDS virus, patients with neurological symptoms and patients with Kaposi's sarcoma of cancer. He and other experts say that AZT will not be as toxic for healthier people with the AIDS infection as it has been among the more severely ill.

Cautious Optimism on AZT

The National Institutes of Health is starting studies of AZT in combination with other drugs including alpha interferon, which boosts the immune system, and acyclovir, another antiviral agent.

Dr. F... said that it made a great deal of AZT even though "Even saying drugs, though, Oth... ising toxic. until

versal of the order of several or the elimination of two weeks. 4. AIDS sufferers, who lose, are more than... If all of the... to be

The release of AZT is only a 'sop to the gay community.'

which can be... patient.

Studies have to see whether patient population who carry the virus take at least in.

Both researchers... nize an urgent... drugs. Dr.

U.S. Speeding Development Of Less Costly AIDS Drugs

By Mark H. E...

PUBLIC POLICY



"While it was true that leadership was essential to establishing a cohesive national strategy to attack the AIDS epidemic, it is now time to implement this strategy. This strong and unique leadership is not yet visible in the government. I'm sure that GMHC will continue to play a key role in bringing such needed leadership to the fore."

Admiral James D. Watkins (Ret.), Chairperson
The Presidential Commission on the HIV Epidemic

One of GMHC's missions is to help shape the nation's policy response to the AIDS epidemic. Toward that end, the Public Policy Department fights for increases in the funding of AIDS-related research. We seek money for care and prevention efforts, as well as for stronger civil rights protections for all people affected by the AIDS crisis. GMHC's experience serving a large number of clients provides a sound, practical basis for our public policy recommendations.

The Public Policy Department brings GMHC's recommendations before local, state and national policymakers advocating fair and effective public health responses. Volunteers also do important policy work, first educating themselves about the AIDS crisis, then becoming advocates and lobbyists for GMHC. The Board of Directors has gone to Washington to carry our message to our national leaders.

On the federal level, GMHC is a leading member and financial supporter of the AIDS Action Council, which represents 300 community-based organizations on federal policy matters. Last year we closely monitored the Presidential Commission on the HIV Epidemic and many staff members testified before it on drug development, education and services. With other AIDS organizations, we funded a staff assistant to Commission member Frank Lilly, a former GMHC board member.

On the state level, we took a leading role in organizing the New York AIDS Coalition, an umbrella group

seventy organizations representing women and minorities, religious and health groups. This task force works to increase funds for AIDS services and education. In the past year, it helped to secure an additional \$11.8 million for community-based AIDS organizations, family planning clinics and groups serving minorities and intravenous drug users. Our Policy staff and volunteers, utilizing our grassroots New York Citizens AIDS Lobby, helped passage of the model New York State Confidentiality Bill, while successfully fighting regressive AIDS legislation.

On the city level, we have also taken

a leading role in the Committee for AIDS Funding, the 21-member coalition of AIDS service providers. In testimony at budget hearings and in meetings with borough presidents, City Council members and other officials, this group called for additional city funds for AIDS services. In response, a relatively small but crucial \$1 million was added to the proposed executive budget.

The Public Policy Department continues to build bridges with other organizations. A good example is our membership in the Prenatal Care Steering Committee, in which we work with organizations devoted to

maternal and child health. Together, we support the funding of new AIDS-related programs, the strengthening of confidentiality laws and improved health care insurance.

Our office coordinated the city's host committee for The Names Project/New York, which brought us the moving and historic memorial quilt. This committee brought together leaders from New York's AIDS service organizations, religious and political groups, and gay and lesbian communities. Our work on this committee provided a unique opportunity to unite the diverse groups most directly affected by AIDS.

The Names Project Memorial Quilt has toured the country as a communal art tribute to the thousands who have died of AIDS. Tragically, it continues to grow, and will not be complete until a cure is found.



SUPPORT SERVICES



"Gay Men's Health Crisis is a community organization from which the nation can take example. I applaud the efforts of GMHC and other organizations in sending the important message that intensified medical research, compassionate patient care, non-discrimination and public education are the only useful responses to AIDS."

Senator Daniel Patrick Moynihan

The staffs of GMHC's Public Information, Development and Administration offices work behind the scenes to support the organization's client services, education and public advocacy.

Public Information

The Public Information staff publicizes GMHC's activities, represents GMHC's policies to the media and provides AIDS-related information to reporters.

Influencing media response to the Presidential Commission on the HIV Epidemic was a major focus of our work this year. We contacted many public health organizations, AIDS service providers and gay and lesbian groups; we alerted and educated the media about the ideological make-up of the Commission. When representatives of community-based organizations spoke before the Commission, we helped to publicize their testimony. When the Commission issued its final report, we worked with other AIDS and public health groups to develop a unified media response. We arranged meetings with influential reporters to discuss the importance of the report. Our work had a significant impact on the media's coverage of the Commission.

We worked closely with the Public Policy Department to respond to inadequate AIDS-related funding in federal, state and city budgets. We



In three years, AIDS Walk New York has raised over \$4 million for GMHC.

wrote press releases, organized news conferences and arranged interviews with representatives of organizations concerned about governmental budgets to fight AIDS.

We also worked with the Medical Information Department to inform the media of the FDA's irresponsible regulations regarding access to drugs and drug trials and its methods of choosing drugs for trials.

And we worked with GMHC's Legal Services staff to publicize how insurance companies were abusing the HIV antibody test.

Communicating with volunteers and

donors is an important part of the Public Information Department's work. In the past year, the department began to produce *News From GMHC*, a monthly update for volunteers on the organization's activities. Our other publication, *The Volunteer*, continues to be distributed to donors, volunteers, the media and community groups. We altered its format somewhat, partly in response to a survey of readers we conducted earlier this year. We also began a survey of donors and volunteers to assess their attitudes toward GMHC, and to learn more about their information needs.

Development

In the fiscal year 1987-1988, government funding represented only 18% of GMHC's annual income. The organization has therefore relied heavily on its Board of Directors and the Development Department to raise the funds necessary to support many of its vital programs. Last year, total income reached a record \$9.39 million, an increase of 70% over the previous year.

Benefits and special events continue to yield the highest proportion of income for GMHC, with a variety of both large and small events bringing in over \$4 million in the last year.

In November, 1987, GMHC presented "Music For Life," the historic Carnegie Hall concert featuring Leonard Bernstein, Marilyn Horne, James Levine, Yo-Yo Ma, Luciano Pavarotti, Murray Perahia, Leontyne Price and Samuel Ramey. Joanne Woodward and Edgar Bronfman, Jr. served as chairpersons. The event sold out and grossed \$1.6 million.

In May, 1988, AIDS Walk New York, GMHC's third annual walkathon, once again broke all records for AIDS fundraising events. Fifteen thousand walkers, sponsored by 100,000 supporters, raised nearly \$2.5 million. This year, GMHC organized walking teams among the staffs of department stores, advertising agencies, restaurants, bars and the casts of Broadway plays. The most successful team was that from the New York City Ballet, which raised almost \$50,000.

Individual contributions yielded \$1.8 million or 29% of GMHC's annual

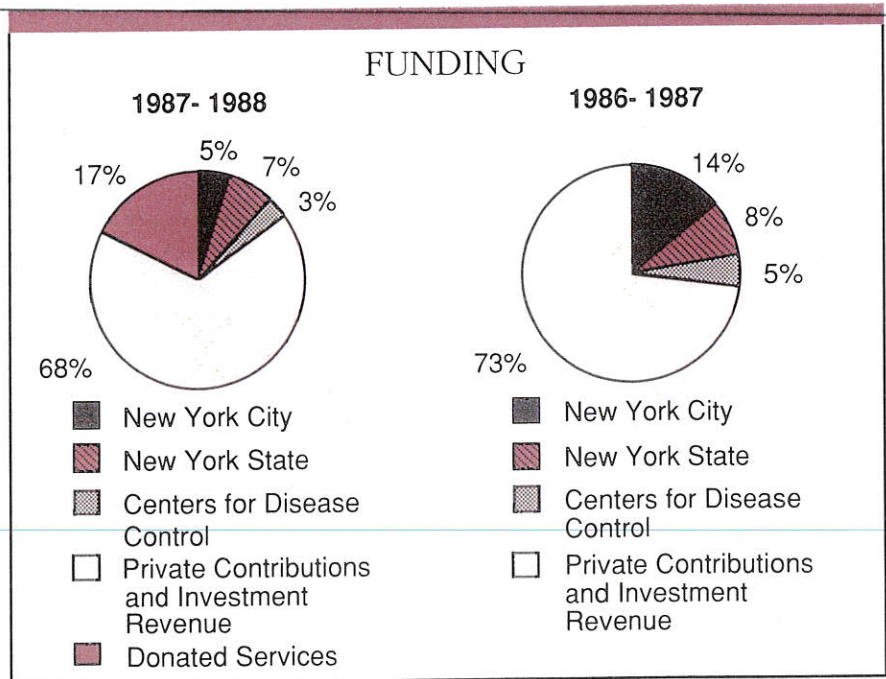
income. This included responses to direct mail solicitations, memorial donations and income from the Benefactors Project. This project was created in 1986 as a way for donors to spread their pledges over a 12-month period, and it has proven an effective and popular means for donors to make substantial contributions.

Foundation and corporate sponsorship increased during this year, but still comprised less than 10% of GMHC's total revenue. Major foundation sponsors included the Tisch Foundation, the Ittleson Foundation and the Samuel and May Rudin Foundation. Major corporate sponsors this year were Joseph E. Seagram and Sons, Inc., R. J. R. Nabisco, Inc. and Equitable Financial Companies. A three-year grant from the van Ameringen Foundation also supported us for a second year.

The proportion of government funding actually decreased by 12% from last year, but contracts were received from the following government sources: the federal Centers for Disease Control and the Public Health Service; the New York City Department of Health and the city's Human Resources Administration; and the New York State AIDS Institute.

Administration

A four-person staff oversees all the complex accounting functions associated with GMHC's multimillion-dollar budget. The accounting staff also handles contracts with



government agencies, including the audits which accompany such contracts. GMHC's large direct mail fundraising effort requires many accounting volunteers who daily sort, count and copy incoming checks. Special fundraising events, such as AIDS Walk, require an extraordinary volunteer effort. This year, after the walk, 20 volunteers worked from 10 a.m. to 9 p.m. for two weeks, counting the thousands of checks totaling \$2.5 million.

Personnel

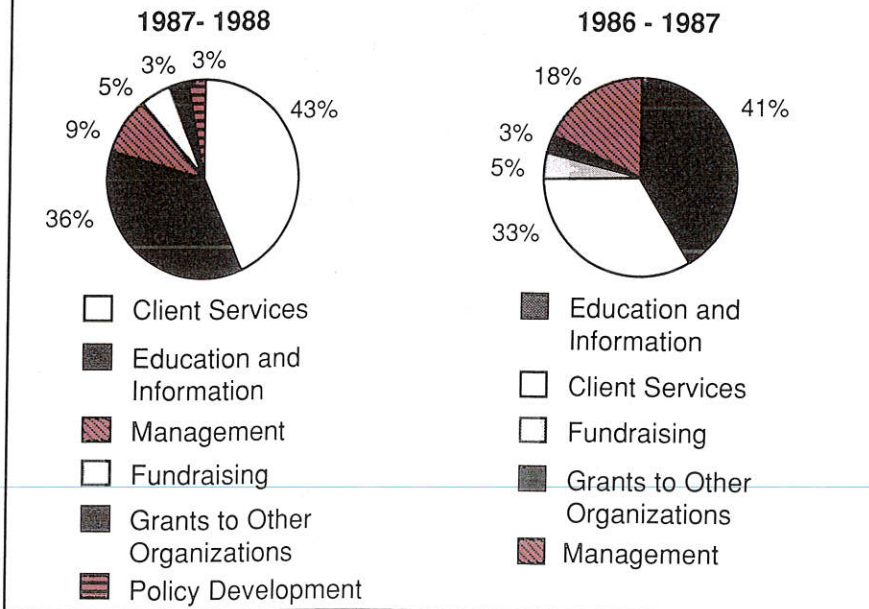
With the expansion of GMHC's staff to over 100, the Personnel Office is kept busy seeking the best-qualified, most committed person for each new

opening. The Personnel Office also addresses the special needs of a staff working in a stressful environment, administers benefits and helps new staff to orient themselves. The Personnel Office helps employees with professional development and career plans by providing information and an attentive ear.

Facilities

GMHC was physically located in five different buildings during the past year, creating a challenge for staff who manage these facilities. The smooth operation of our facilities was further complicated by the disparate needs of GMHC's multiple programs. We needed kitchen and meeting space

EXPENSES



for recreation, private rooms for group workshops, and storage space for audio-visual equipment. The work of the Facilities staff was as difficult as it was essential to GMHC's daily and long-term operations.

GMHC's New Home

This year the Facilities staff also helped guide the final stage of work on the new building that has finally brought all of GMHC into its new home at 129 West 20th Street. The move ended more than three years of negotiations and renovations supervised by the Building Committee of GMHC's Board of Directors, and by many other volunteers. The Building Committee did everything from

negotiating for the 37,000 square feet of raw space to soliciting donations of furniture, lighting and carpets. The new building is a moving symbol of the dedication and productive work of GMHC's Board of Directors.

The building was purchased and renovated only after a thorough investigation of available real estate options. Rented office space involved too many problems: negotiations with prospective landlords ended abruptly due to ignorance and fear of AIDS; offices were often inaccessible at night and on weekends, or were off-limits to wheelchairs; and rents were too high.

Now, staff and volunteers will coordinate their services to clients more efficiently. And all will come to feel at home in the building dedicated to the needs of those with AIDS.

In Closing

GMHC was formed and grew during the federal leadership vacuum of recent years. In addition to providing services and educating the public -- indeed, to make those programs possible -- GMHC has fought government ignorance and neglect. Through these struggles, the agency has made the voice of people with AIDS and their loved ones heard in Washington, in Albany and at City Hall.

We have forged alliances with those legislators who were willing to listen, learn and help. And we have made a difference: influencing the Presidential Commission on the HIV Epidemic, which produced a progressive report; shaping New York State's new confidentiality bill; maintaining funding of AIDS services during New York City's and New York State's budget considerations.

Each year of GMHC's existence our caseload has grown exponentially. This past year, for the first time, our client caseload topped 2,000, reaching 2,300 by July 1, 1988. The number of AIDS cases in New York City rose to nearly 15,000. No vaccine and no cure are in sight. The need for our services is greater than ever. As more people get sick, the need for education -- to prevent transmission and to prevent prejudice -- becomes acute.

The coming year will bring a change in federal leadership. GMHC will use its hard-won skills and experience to ensure that fair, effective AIDS policies are part of the new era.

A Message From The Treasurer

The past fiscal year has been one of great change for GMHC. In response to the increasing number and changing needs of people with AIDS, people with ARC and their loved ones, the agency has continued to refine and expand our services. Our caseload has doubled to 2,400 as a result of new medications and treatment modalities which extend and improve the lives of people with AIDS. Consequently, the educational, legal and recreational needs of our clients have changed and intensified, and we have responded with new services and programs. Although we are in the eighth year of the epidemic, there is still an enormous need for information and educational programs which continue to be an important focus of the agency. GMHC's services have been very much in demand this year, with three million pieces of literature distributed and almost 50,000 calls answered on the Hotline. Our advocacy role has become increasingly important as we combat discrimination against all people affected by HIV and work for fair and effective AIDS policies on the city, state and federal levels.

With the changing demographic character of the health crisis, GMHC has taken an important leadership role by assisting other community-based organizations to provide services and education to their own constituencies. GMHC has fostered the establishment of new agencies through seed grants and also by serving as a resource for training, educational material and policy development. For example, in the past year, we provided \$15,000 to the Women and AIDS Resource Network as a start-up grant; \$36,000 to the Community Research Initiative to cover some of its start-up costs; \$125,000 to the AIDS Action Council in Washington for public education, advocacy and lobbying; and \$15,000 for staff assistance to advance the work of Dr. Frank Lilly on the Presidential Commission on the HIV Epidemic.

All of these activities have grown at a time when public sector funding has not kept pace with the rising spread of AIDS. In fiscal year '86/'87, government funding accounted for 47% of our \$3 million budget. In fiscal year '87/'88, government funding accounted for only 22% of our \$7 million budget. That means that we had to raise over \$5 million through the private sector from over 100,000 individuals as well as a growing number of private

foundations and corporations.

The value of the work of GMHC's 2,000 volunteers cannot be overstated. While we have placed a conservative monetary value on these services, money cannot purchase the dedication and commitment demonstrated by volunteers and employees alike. The generosity of all these supporters has allowed GMHC to have another year which ended in surplus and enabled the completion of a major project. In September, 1988, GMHC moved into its new home at 129 West 20th Street. Previously scattered over five rented locations, all of the agency's departments (with the exceptions of the Recreation Program and the AIDS Professional Education Program) are reunited in this six-story, 37,000 square foot space. The Recreation Program will join the other departments in December, when extensive renovations are completed. The donation of the interior carpeting, lighting and office furniture again reflects the extraordinary role of volunteers in making GMHC a reality. Not only does the building bring volunteers, clients and programs together, but it also serves as an endowment which will increase in value and assure that we have space at a reasonable cost for many years to come.

In the year ahead, GMHC has a formidable challenge: to meet the needs of our clients, however sizable our caseload; to advocate for fair and effective public policies at the city, state and federal levels; to provide life-saving information to the gay community and the public-at-large; and to demand an aggressive, fair and compassionate response from our political, health and community leaders. We are committed to meeting these challenges and to being there as long as we are needed.



Bernard L. See, Treasurer
Board of Directors
Gay Men's Health Crisis, Inc.

DONOGHUE & ROSENTHAL

CERTIFIED PUBLIC ACCOUNTANTS, P.C.
236 WEST 26TH STREET SUITE 7SW NEW YORK, NY 10001
(212) 924-3838

BOARD OF DIRECTORS

GAY MEN'S HEALTH CRISIS, INC.
NEW YORK, NEW YORK

We have examined the Statement of Assets, Liabilities and Fund Balances of Gay Men's Health Crisis, Inc. at June 30, 1988 and 1987 and the related Statement of Public Support, Revenue Received and Expenses and Changes in Fund Balances and Statement of Changes in Financial Position for the years then ended. Our examinations were made in accordance with generally accepted auditing standards and, accordingly, included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion, the financial statements referred to above present fairly the financial position of Gay Men's Health Crisis, Inc. at June 30, 1988 and 1987 and the results of its operations and the changes in its financial position for the years then ended in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Donoghue & Rosenthal CPA P.C.

New York, New York
September 24, 1988

STATEMENT OF ASSETS, LIABILITIES AND FUND BALANCES
GAY MEN'S HEALTH CRISIS, INC.

June 30, 1988 and 1987

	<u>JUNE 30, 1988</u>	<u>JUNE 30, 1987</u>
ASSETS		
Cash - includes \$1,500,000 and \$2,534,502 designated by GMHC's Governing Board as of June 30, 1988 and 1987, respectively (See Note I)	\$ 2,775,145	\$ 2,648,494
-Escrow	15,972	0
TOTAL CASH	<u>2,791,117</u>	<u>2,648,494</u>
Securities Held, Donated Value	84,942	0
Grants Receivable	748,705	301,585
Other Receivables	59,242	2,080
Fixed Assets - at cost - net of accumulated depreciation of \$204,947 at June 30, 1988 and \$133,971 at June 30, 1987 (See Note H)	7,230,970	4,770,286
Deposits	<u>42,714</u>	<u>42,389</u>
TOTAL ASSETS	\$ 10,957,690	\$ 7,764,834
LIABILITIES AND FUND BALANCES		
Accounts Payable and Accrued Expenses	\$ 393,847	\$ 33,420
Installment Obligations	0	1,436
Mortgage Payable - Due November 1988 (See Note F)	<u>1,500,000</u>	<u>2,300,000</u>
Total Liabilities	1,893,847	2,334,856
FUND BALANCES		
Unrestricted		
-Designated by GMHC's Governing Board (See Note I)	500,000	2,034,502
-Building Fund (See Note 2)	1,000,000	500,000
-Program Development Fund	<u>1,500,000</u>	<u>2,534,502</u>
TOTAL DESIGNATED		
-Undesignated	7,399,051	2,810,909
Restricted	<u>164,792</u>	<u>84,567</u>
Total Fund Balances	<u>9,063,843</u>	<u>5,429,978</u>
TOTAL LIABILITIES AND FUND BALANCES	\$ 10,957,690	\$ 7,764,834
See Notes to Financial Statements		

Program Development Fund

The Program Development Fund is a reserve fund for the expansion of existing services and programs or for the creation of new ones. It was established to ensure that GMHC would be able to respond quickly to the changing needs of the community and ensures that the agency does not have to engage in the slow process of seeking funds from outside sources. Rather, it enables the organization to establish a program immediately and does not restrict how GMHC uses the funds. For example, in fiscal year 1987-1988, we gave \$36,000 to the Community Research Initiative to cover some of its start-up costs, \$15,000 to the Women & AIDS Network, as a start-up grant, and \$7,150 to the PWA Coalition to pay for the costs of the PWA Coalition Newsline. These are just some examples of how the Fund can be used.

Monies received at the end of the fiscal year primarily through the AIDS Walkathon were allocated to the Program Development Fund. Some of the funds are used during the summer and early autumn when sources of income from contributions and government grants are relatively small. The Program Development Fund smooths out the traditional seasonal inequality of income and expenses and provides a reserve of money against unpredictable governmental support.

It is this foresight that will allow the agency to adapt to the unexpected developments in the AIDS epidemic and GMHC will have the ability to respond quickly.

Building Fund

GMHC has moved to a new home at 129 West 20th Street in Manhattan. Previously scattered over five rented locations, all of GMHC's departments (with the exception of AIDS Professional Education) are reunited within this six-story, 37,000 square foot space.

In 1985, GMHC's Board of Directors started a search for new rental space to accommodate all programs without overcrowding. They found not only that many buildings had limited accessibility and high rents, but also that many landlords were reluctant to rent to AIDS organizations. GMHC opted to buy.

Capital funds for the building renovations are being raised through the Major Donors Campaign. Sizeable contributions, which may be given over a three-year period, are being sought from individuals and corporate and foundation donors.

In addition to over \$1 million in material donations from manufacturers of furniture and fixtures, funds in the amount of \$2.5 million were utilized for significant strides toward the completion of the renovation of the building and \$800,000 for the reduction of outstanding mortgage balances.

As of June 30, 1988 the Board had designated \$500,000 to the Building Fund to be used towards the completion of the building.

The Major Donors Campaign takes care not to raise money at the expense of funding for client, educational or advocacy programs. The fund-raising, purchase and renovation is coordinated almost entirely by volunteers. This permanent location affirms GMHC's commitment to serve the community. In fact, expenditures for all of the GMHC's programs and associated administration are budgeted for this fiscal year at an amount in excess of \$7.5 million, an increase of 46.9% over the year ending June 30, 1988.

**STATEMENT OF PUBLIC SUPPORT, REVENUE RECEIVED
AND EXPENSES AND CHANGES IN FUND BALANCES
GAY MEN'S HEALTH CRISIS, INC.**

JUNE 30, 1988 AND 1987

	JUNE 30, 1988			JUNE 30, 1987
	<u>Restricted Funds</u>	<u>Unrestricted Funds</u>	<u>Total All Funds</u>	<u>Total All Funds</u>
PUBLIC SUPPORT AND REVENUE RECEIVED				
PUBLIC SUPPORT				
Donated Services (Note D)	\$ 0	\$ 2,127,777	\$ 2,127,777	\$ 1,880,694
Contributions	705,953	1,136,317	1,842,270	1,395,053
Direct Mail Campaign	0	208,522	208,522	723,490
Publications Sales	0	75,740	75,740	16,737
Established Memorial Funds	0	158,750	158,750	197,538
Outside Benefits, Grants	0	3,982,735	3,982,735	1,954,932
Government Grants	<u>2,296,249</u>	<u>0</u>	<u>2,296,249</u>	<u>1,623,773</u>
Total Public Support	3,002,202	7,689,841	10,692,043	7,792,217
REVENUE RECEIVED				
Investment Income	0	178,118	178,118	71,750
Rental Income	<u>0</u>	<u>33,567</u>	<u>33,567</u>	<u>0</u>
Total Revenue Received	0	211,685	211,685	71,750
TOTAL PUBLIC SUPPORT AND REVENUE RECEIVED	\$ 3,002,202	\$ 7,901,526	\$ 10,903,728	\$ 7,863,967
EXPENSES				
PROGRAM SERVICES				
Persons with AIDS and Clinical Services	1,462,068	1,749,827	3,211,895	2,370,652
Public Information and Education	<u>1,072,624</u>	<u>1,517,196</u>	<u>2,589,820</u>	<u>1,880,789</u>
Total Program Services	2,534,692	3,267,023	5,801,715	4,251,441
SUPPORTING SERVICES				
Management and General	<u>34,908</u>	<u>644,243</u>	<u>679,151</u>	<u>550,982</u>
Total Supporting Services	34,908	644,243	679,151	550,982
Fundraising	5,630	353,373	359,003	147,346
Policy Development	<u>0</u>	<u>429,994</u>	<u>429,994</u>	<u>0</u>
TOTAL EXPENSES	\$ 2,575,230	\$ 4,694,633	\$ 7,269,863	\$ 4,949,769
EXCESS OF PUBLIC SUPPORT AND REVENUE RECEIVED OVER EXPENSES	426,972	3,206,893	3,633,865	2,914,198
FUND BALANCE - Beginning of Year	84,567	5,345,411	5,429,978	2,272,786
Add: Adjustment to Restate Fund Balance as of June 30, 1986 on Accrual Basis (See Note G)	0	0	0	242,994
Building Fund Expenditures from Restricted Fund	<u>(346,747)</u>	<u>346,747</u>	<u>0</u>	<u>0</u>
FUND BALANCE - END OF YEAR	\$ 164,792	\$ 8,899,051	\$ 9,063,843	\$ 5,429,978
See Notes to Financial Statements				

**STATEMENT OF FUNCTIONAL EXPENSES
GAY MEN'S HEALTH CRISIS, INC.**

JUNE 30, 1988 AND 1987

	JUNE 30, 1988					JUNE 30, 1987	
	PROGRAM SERVICES		SUPPORTING SERVICES	Fundraising	Policy Development	Total Expenditures	Total Expenditures
	Persons With AIDS/Clinical Services	Public Information/Education	Management and General				
Donated Services (Note D)	\$ 1,523,863	\$ 603,914	\$ 0	\$ 0	\$ 0	\$ 2,127,777	\$ 1,880,694
Staff Compensation	895,232	633,337	312,228	143,390	68,956	2,053,143	1,390,899
Employee Health Benefits and Payroll Taxes	154,736	97,550	75,353	29,151	9,263	366,053	195,365
Professional Fees and Consultations	24,288	262,066	46,985	29,969	0	363,308	195,725
Supplies and Postage	47,598	134,785	30,021	57,702	3,366	273,472	179,588
Telephone and Hotline Expenses	36,703	43,105	8,545	6,816	3,360	98,529	79,624
Occupancy	201,471	112,824	25,508	31,747	2,442	373,992	201,665
Printing and Publications	19,633	482,541	16,050	14,817	6,552	539,593	233,533
Travel	13,279	50,565	857	2,397	11,167	78,265	29,852
Advertising	0	14,234	0	0	0	14,234	35,228
Grants and Allocations to Other Service Organizations	55,704	0	0	0	180,140	235,844	84,125
Staff and Volunteer Training and Support	38,692	8,602	80,634	0	0	127,928	49,649
Staff/Board Expenses	0	2,917	15,147	0	0	18,064	56,036
Staff Recruitment	26,424	19,423	0	10,600	0	56,447	0
Direct Financial Aid and PWA Recreational Activities	118,993	0	0	0	0	118,993	92,603
Public Forums	0	44,003	0	0	33,634	77,637	60,231
Insurance	4,351	5,101	10,866	0	0	20,318	24,824
Equipment Maintenance and Rent	2,709	22,461	10,725	14,434	0	50,329	36,101
Dues, Subscriptions and Fees	243	5,453	10,038	1,195	0	16,929	11,085
Direct Lobbying Expenses	0	0	0	0	103,261	103,261	18,696
Miscellaneous	17,156	17,880	24,376	7,979	298	67,689	31,286
Total Expenses Before Depreciation	3,181,075	2,560,761	667,333	350,197	422,439	7,181,805	4,886,809
Depreciation	30,820	29,059	11,818	8,806	7,555	88,058	62,960
	\$3,211,895	\$2,589,820	\$ 679,151	\$ 359,003	\$ 429,994	\$7,269,863	\$4,949,769

See Notes to Financial Statements

STATEMENT OF CHANGES IN FINANCIAL POSITION
GAY MEN'S HEALTH CRISIS, INC.
 JUNE 30, 1988 AND 1987

	<u>JUNE 30, 1988</u>	<u>JUNE 30, 1987</u>
FUNDS PROVIDED		
From Operations - Excess of Public Support and Revenue Received Over Expenses	\$ 3,633,865	\$ 2,914,198
Add: Items not affecting Cash - Depreciation and Amortization	88,058	62,960
Securities Held, Donated Value	(84,942)	0
Funds Provided from Operations	3,636,981	2,977,158
Increase in Accounts Payable and Accrued Expenses	360,427	33,420
Decrease in Other Current Assets	0	8,027
Increase in Mortgage Payable	0	500,000
Adjustment to Restate Fund - Balance as of June 30, 1986 on Accrual Basis (See Note G)	0	242,994
TOTAL FUNDS PROVIDED	3,997,408	3,761,599
FUNDS APPLIED		
Increase in Grants Receivable	447,120	301,585
Increase in Other Receivables	57,162	0
Increase in Security Deposits	325	25,565
Net Acquisition of Fixed Assets	2,548,742	864,544
Decrease in Installment Obligations	1,436	4,829
Decrease in Mortgage Payable	800,000	0
TOTAL FUNDS APPLIED	3,854,785	1,196,523
INCREASE (DECREASE) IN CASH	142,623	2,565,076
CASH - Beginning of Year	2,648,494	83,418
CASH - End of Year	\$ 2,791,117	\$ 2,648,494
See Notes to Financial Statements		

NOTES TO FINANCIAL STATEMENTS GAY MEN'S HEALTH CRISIS, INC.

NOTE A - ORGANIZATION

Gay Men's Health Crisis, Inc. (GMHC) was incorporated under New York State law on June 25, 1982. GMHC, the world's first AIDS organization, founded by members of the gay community, and whose services are provided principally by volunteers, has as its purposes: maintaining and improving the quality of life for persons with AIDS, persons with AIDS-Related Complex and their carepartners; advocacy for fair and effective public policies and practices concerning HIV infection; and through education and AIDS prevention programs, increasing awareness and understanding of HIV infection.

NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of GMHC have been prepared on the accrual basis. Depreciation of fixed assets is provided for over the estimated useful lives of the respective assets on a straight-line basis. No depreciation has been taken on the new building at 129-133 West 20th Street or the new equipment for it because occupancy of the facility did not begin until September 1, 1988, as stated in Note C2.

NOTE C - FINANCIAL COMMITMENTS

1. Operating Lease

During 1984, GMHC entered into a lease for premises with minimum annual rental commitment under said operating lease of:

1984-89	\$174,000
1989-94	204,000
1994-99	252,000

2. Building Renovation

During the fiscal year ending June 30, 1988 GMHC substantially completed the renovation of its facility located at 129-133 West 20th Street, New York, New York as noted in last year's financial statements. Occupancy of this facility by GMHC commenced on September 1, 1988 upon completion of said renovation.

NOTE D - DONATED SERVICES

Amounts have been reflected in the statements for donated services as both an item of public support and as an expense. GMHC has valued such services according to New York State guidelines at \$2,127,777 and \$1,880,694 for the years ending June 30, 1988 and 1987, respectively, for grant reporting purposes. These services constitute an integral part of the efforts of the organization.

It should be noted that recording donated services in the body of the financial statements represents a diversion from previous policy. Accordingly, the June 30, 1987 financial statements were restated so as to make them conform to the June 30, 1988 financial statements.

NOTE E - TAX EXEMPT STATUS

GMHC has obtained a ruling from the Internal Revenue Service which states that it has qualified to operate as a publicly supported organization as defined by the Internal Revenue Code, and is exempt from taxation under section 501(c)(3) of the code.

NOTE F - MORTGAGE PAYABLE

On June 12, 1986 GMHC acquired the land and building ("The Property") located at 129-133 West 20th Street, New York, New York. The Property was encumbered by two mortgages as of June 30, 1987 and by the first mortgage only as of June 30, 1988.

A. The first mortgage is held by Amalgamated Bank of New York in the principal sum of \$1,500,000. Payments of interest only at the annual rate of 12.5% are being made on this mortgage which matures on November 1, 1988 at which time the unpaid balance of \$1,500,000 plus any unpaid interest will be due.

B. The second mortgage was held by Three Pyramids Realty Co. in the principal sum of \$800,000. The second mortgage was paid off during the year ending June 30, 1988.

NOTE G - FUND BALANCE

GMHC's financial statements as of June 30, 1986 were presented on a cash basis. The statements as of June 30, 1988 and 1987 are presented on an accrual basis. Accordingly, an adjustment to the fund balance in the amount of \$242,994 was necessary to restate the opening fund balance as of July 1, 1986 on an accrual basis.

NOTE H - FIXED ASSETS

Summary of fixed assets:

	6/30/88	6/30/87
Land	\$ 731,740	\$ 731,740
Building	5,898,044	3,734,085
Leasehold		
Improvements	170,351	170,351
Furniture and		
Equipment	<u>635,782</u>	<u>268,081</u>
Subtotal	7,435,917	4,904,257

Less: Accumulated		
Depreciation	<u>204,947</u>	<u>133,971</u>
Total Fixed Assets	\$7,230,970	\$4,770,286

NOTE I - CASH AND DESIGNATED FUND BALANCES

As of June 30, 1988 GMHC's Governing Board designated \$500,000 for the Building Fund and \$1,000,000 for the Program Development Fund. As of June 30, 1987 the Board designated \$2,034,502 for the building fund and \$500,000 for the Program Development Fund. These amounts were designated from unrestricted fund balances.

Gay Men's Health Crisis Staff

as of November 1, 1988

Lester Abrams *Client Records Manager, Client Services*
Stan Allan *Recreation Administrative Associate, Client Services*
Bruce Anderson *Deputy Executive Director for Program Operations*
Paul Anderson *Assistant to the Director, Development*
Kevin Armington *Assistant to the Director, Medical Information*
Mark Aurigemma *Assistant Intake Coordinator, Client Services*
David Austin *Administrative Assistant, Education*
Nancy Beckerman *Assistant Director, Client Services*
Lori Behrman *Director, Public Information*
George Bellinger, Jr. *Coordinator of Minority Outreach, Education*
Thomas Blanke *Accounts Payable Clerk, Accounting*
Gregg Bordowitz *Audio/Visual Assistant, Education*
Daniel Brewer *Recreation Administrative Associate, Client Services*
Gregory Broyles *Policy Associate, Public Policy*
Jean Carlomusto *Audio/Visual Coordinator, Education*
Ori Caroleo *Coordinator of Recreation Services, Client Services*
Paul Carro *Director, Finance and Administration*
Frank Cevasco *Financial Advocate, Client Services*
Andrew Chapin *Administrative Associate, Legal Services*
Madelyn Condren *Facilities Manager*
Brian Corbit *Administrative Assistant, Administration*
Loren Couch *Assistant Coordinator, Volunteer Office*
Mimi Craig *Administrative Associate, Development*
Carisa Cunningham *Public Information Associate*
Charles Curti *Personnel Manager*
Catherine Daly *Ombudsman*
Donna Dash *Financial Advocate, Client Services*
Stephen de Francesco *Coordinator of Publications, Education*
Carl Dellatore *Assistant Coordinator of Recreation, Client Services*
Michael De Mayo *Administrative Associate, Education*
Vivia Dennis *Community Outreach Assistant, Education*
Katharine DeShaw *Director, Development*
Anthony Di Vittis *Research Program Director, Education*
Richard Dunne *Executive Director*
Deborah Edison *Assistant Director, Development*
Nellie Evans *Manager, Accounting*
Jayne Franz *Accounts Payable Supervisor*
Martha Gabriel *Group Services Medical Supervisor, Client Services*
Barry Gingell *Director, Medical Information*
Christian Guerra *Assistant Coordinator of Community Outreach, Education*
David Hansell *Director, Legal Services*
John Herrington *Receptionist, Administration*
Ann Hinnen *Accounts Receivable Clerk, Accounting*
David Hodgson *Administrative Associate, Public Policy*
James Holmes *Coordinator of AIDS Service Provider Training, Education*
Ronald Hoskins *Receptionist, Client Services*
Valerie Hoskins *Publications Associate, Education*
Steven Humes *Assistant Coordinator of ASPT, Education*
Heide Jones *Payroll/Benefits Clerk, Personnel*
Valli Kanuha *Crisis Intervention Clinical Supervisor, Client Services*
Lew Katoff *Director, Client Services*

Helene Kendler *Crisis Intervention Assistant Coordinator, Client Services*
Helaine Knickerbocker *Staff Attorney, Legal Services*
Daniel Korte *Intake Coordinator, Client Services*
Jay Laudato *Financial Advocate, Client Services*
Carole Lemens *Assistant to the Executive Director*
Gary Levinson *Community Outreach Assistant, Education*
Gregory Lugliani *Administrative Associate, Public Information*
Rodger McFarlane *APEP Project Director, Education*
Lock McKelvy *Crisis Intervention Clinical Supervisor, Client Services*
Charles McKinney *Director, Education*
David McMullen *Data Processing Supervisor, Development*
Robert McVey *Assistant Coordinator, Volunteer Office*
James Mahady *Community Outreach Assistant, Education*
Matthew Madigan *Accounts Receivable Clerk, Accounting*
Joanne Mantell *Principal Research Investigator, Education*
James Marcanno *Administrative Assistant, Client Services*
Anne Milano-Tedeschi *Financial Advocate, Client Services*
Diane Mirvis *Coordinator of Financial Advocacy, Client Services*
Frank Oldham, Jr. *Assistant Director for Community Outreach, Education*
Bruce Patterson *Coordinator of Outreach Services, Education*
Robert Peterson *Policy Associate, Public Policy*
Andree Pilaro *Group Services Clinical Supervisor, Client Services*
Benjamin Ramos *Receptionist, Education*
Margaret Reinfeld *Assistant Director for Resources, Education*
Susan Richardson *APEP Project Coordinator, Education*
Joseph Ripple *Coordinator, Volunteer Office*
Angel Rivera *Building Superintendent, Facilities*
Heidi Russell *Assistant to the Director, Client Services*
Richard Sacks *Group Services Coordinator, Client Services*
Michele Sarracco *Intake Clinical Supervisor, Client Services*
Anthony Sbordonni *Financial Advocate, Client Services*
Mike Schanno *Financial Advocate, Client Services*
Gary Schwartz *Crisis Intervention Coordinator, Client Services*
William Scott *Night Receptionist*
Don Shacknai *Financial Advocate, Client Services*
Susan Simon *Client Representative, Ombudsman's Office*
Scott Sliter *Assistant to the Director, Education*
Robert Spencer *Assistant Coordinator of Outreach, Education*
Sandra St. James *Assistant Coordinator of Recreation, Client Services*
Timothy Sweeney *Deputy Executive Director for Policy*
Robert Tarbox *Client Representative, Ombudsman's Office*
Beth Thomson *Assistant Director, Client Services*
Rande Turns *Assistant Coordinator of Group Services, Client Services*
Leon Washington *Recreation Food Manager, Client Services*
Thomas Watson *Assistant Intake Coordinator, Client Services*
James Wheelock *Specialist, Legal Services*
Rhett Wickham *Administrative Assistant, Legal Services*
Amy Winarsky *Assistant Coordinator of Financial Advocacy, Client Services*
David Winters *Coordinator of AIDS Prevention, Education*
Ronald Wiseman *Assistant Director, Legal Services*
Warren Zeh *Client Representative, Ombudsman's Office*

First In The Fight Against AIDS - Gay Men's Health Crisis 1987/1988 Annual Report

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