ILGA EUROPE

# TREASURER'S REPORT 2024

General Meeting
June 2025

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*Please note that the full report and all annexes are available to members only.*

# Introduction

## Proposal to Approve

ILGA-Europe's financial statements covering the period from January 1, 2024 to December 31, 2024 have been independently audited by a certified auditing firm contracted by the Executive Board: Callens, Vandelanotte, & Theunissen BV. They show actual income registered at 5,884,307 €, expenses of 5,777,164 €, and a year-end result of 107,143 €.

The projections for the financial year 2024 assumed a modest increase in the budget, new programmes and areas of engagement and a continued engagement on humanitarian and other support for Ukraine. As in previous years, the work was a delicate balancing act of ensuring our long-term plans are implemented while creating space and time to respond to on-going developments and trends. In addition, 2024 was a year of continued internal developments due to the leadership transition process that began in 2023. As you can read in our Activity Report, the ILGA-Europe team have carried out a hugely impressive amount of work. From further expanding our connection with the movements in different countries and sub-regions, to bridging protection gaps and pushing for new and better legislations, standard-setting and helping translate laws into practice, supporting key judgements on regional level, and further strengthening our ability to provide diverse, flexible and fit for purpose funding, we have been staying ahead of the curve. We have invested in building and strengthening alliances to make sure LGBTI voices are an active part of collective actions for gender equality, decriminalisation of sex work, democracy, migration and asylum, homelessness, social rights.

In this year of consolidation, of forward-looking thinking and planning, of transition and renewal, and unfortunately, of many new shifts towards more regressive and hostile policies, we paid particular attention to ensuring we remain solid and operating smoothly amidst all the change, that we future-proof our work and ensure its strategic impact, and that we reliably and responsibly safeguard the resources we raise and manage. The demands keep growing on ILGA-Europe to participate in policy and advocacy processes, provide diverse resources, facilitate, support and enable work and alliances. The growth and diversification of the movement, which we have been contributing to significantly, also means growing expectation and need for our resources. The year was a moment to look both backwards and ahead, and put our heads to new strategies and approaches of safeguarding the lives of LGBTI people in the region, and, where possible, improving lived experiences of people and capacities of organisations.

In 2024 our annual budget reached almost 6 million euros, showing stability after continuous growth in the previous years (1% if compared to 2023, but 60% and 77% if compared to 2022 and 2023). Our staff team increased to 26 people. The value of grants issued within a year exceeded 2 million euros, an increase of 8% if compared to the previous year – and throughout the year we have been working weekly with 88 organisations. Our Conference brought together 388 people from across the region and beyond, among them nearly 200 funded by ILGA-Europe. We organized 34 online learning sessions, 16 in-person coordination and learning activities, met with activists and decision-makers in 29 countries and supported 24 organisations with in-depth long-term coaching on various topics. We appeared in 3,740 articles and had an estimated media reach of over 9 billion.

Apart from our flagship pieces of work, such as the Rainbow Map and Annual Review, we've significantly improved our comms and related capacities, and put much more effort into highlighting and amplifying the voices of the movement. We also launched and implemented the 2024 EP Elections engagement campaign – Come Out for the EU – mobilising voters and candidates to support LGBTI rights. We've ensured in the last months of the old mandate and the first months of the new one, key pieces of legislation, policy and implementation are moved forward, and kept governments and institutions accountable.

With growing resources and pressure, the Executive Board monitored and evaluated all the financial changes proposed and implemented throughout the year closely, paying particular attention to the sustainability of our growth. For a number of years, we have been observing and reporting a withdrawal of funders from the region and a decrease in unrestricted donations received throughout the year, the latter closely linked to the cost of living crisis. We have also observed more hesitance among private sector partners, linked to the raise in right and far-right in the public discourse and in election results. We have also been very conscious of the risks stemming from some of the sources of our project funding – either due to the political shifts or the volatility of currencies related to change on national level.

Relationships of trust and accountability built with funders over the years allowed ILGA-Europe to address the variety of needs that surfaced within the year, and the efforts made previously to solidify financial management and internal control processes enabled the organisation to sustain the significant budget shifts that occurred in the recent past. Nonetheless, with the political changes, largely project-based budget, and shirking availability of unrestricted funding, the organisation's financial risks are multiplying. Already in the first quarter of 2025 we see some of these risks materialising and impacting our 2025 budget, but in spite of these major changes, we will continue to deliver on our commitments to the movement and to our Strategic Framework, following a refinement of priorities and focus.

Despite the aforementioned challenges, it is the firm assessment of the Executive Board of ILGA-Europe that the financial year 2024 was successful, the undertaken operations contribute to ILGA-Europe's financial and organisational sustainability, and allow us to project continuous and effective operations in the coming years.

In light of all this, on behalf of the Executive Board of ILGA-Europe, I ask that the membership approve the financial report for the year 2024 and discharge the Board.

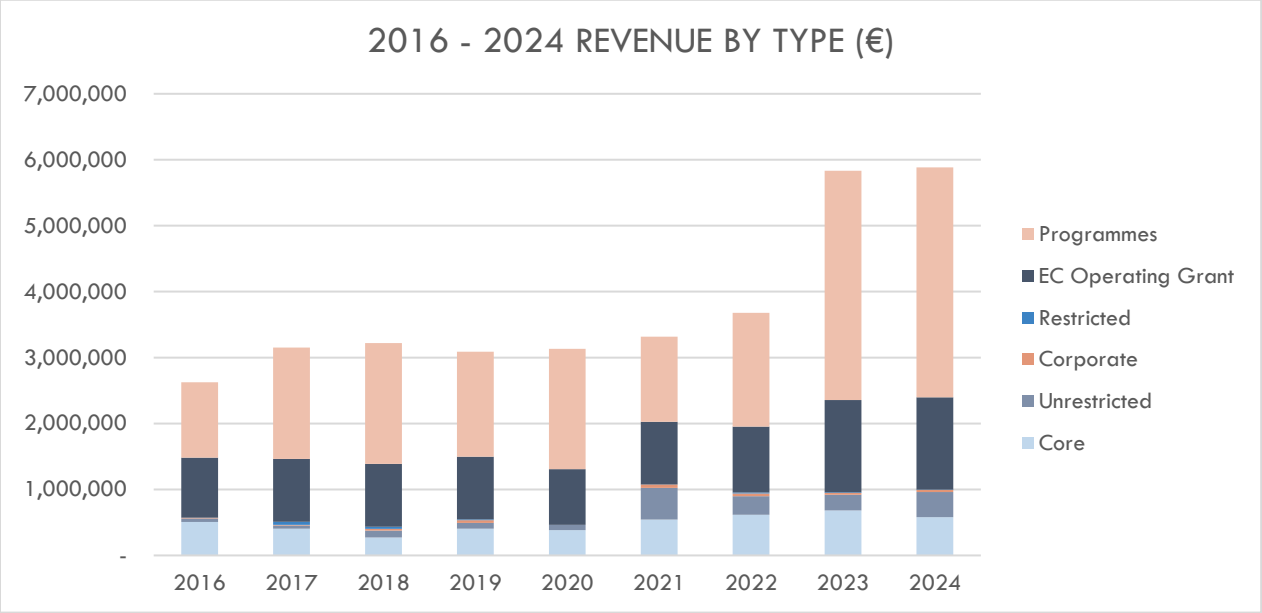
Rachael Moore
Treasurer of the Executive Board
ILGA-Europe

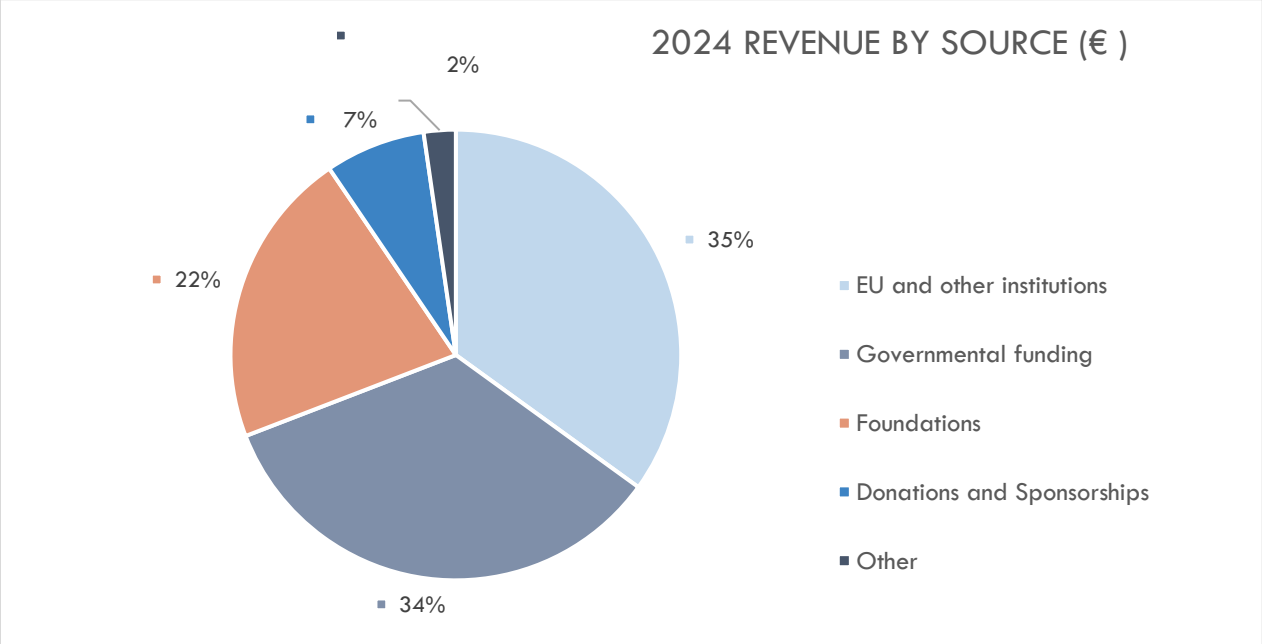
# Revenues

## Analysis

In the financial year 2024 ILGA-Europe obtained and recognized 5,884,307 €, in revenues, which is approx. a 1% (over 50k €) increase from the 2023 revenues. Another 150,000 € in donations were received prior to year-end but carried over to 2025, to secure sufficient budgets for operations at the start of the year. The majority of funding recognized in 2024 was sourced from long-term projects and grants, many of which were increased or renewed due to the team's fundraising efforts.

The 2016 – 2024 comparison (see chart below) of proportions of core funding, unrestricted funding (donations and sponsorships), operating funding (European Commission) and project funding recognized in each year shows that the budget growth occurred largely on restricted funding, while the amounts raised through unrestricted sources remained at a similar level. In previous years the share of unrestricted funds was around 25-50% of the budget, and that share in 2024 dropped to 16%. Additionally, 350,000 € (a third of unrestricted funds) is allocated as co-funding to the European Commission operating grant, and approx. 250,000 € is tied to salaries and stable administrative expenses, leaving barely around 5% of the budget which can be used flexibly.




The European Union (EC OG, as well as other EU sources) and governments remain to be responsible for almost 70% of ILGA-Europe's income, and pose the most significant administrative and financial management burden, requiring high levels of staff effort both on the financial tracking and reporting side, and the narrative tracking and management. 21% of the funds was raised through public and private foundations, and less than a tenth from individuals and private partners.

In terms of project financing, the majority of projects active in 2023 continued into 2024. More than 60% of revenues of the year were revenues of grants that begun in 2023. The highest non-flexible revenues recognized were issued by:

- European Commission (Operating Grant) – 1,400,000.00 €
- Anonymous – 713,195.15 €
- Anonymous – 601,154.88 €
- Anonymous – 549,382.22
- Anonymous – 218,956.09 €.

The previous financial years have been heavily affected by Covid-19 and the invasion of Ukraine, in terms of both revenues and our ability to process funds and carry out activities, In the course of 2022, ILGA-Europe quickly shifted its work and budget to enable as much coordination and support as possible be offered to the movement in Ukraine and neighbouring countries. No active fundraising was carried out – given the significant number of ongoing fundraisers, ILGA-Europe prioritized mapping existing efforts and needs, in order to be able to channel donors to where resources were needed, where gaps occurred (especially keeping in mind wider reach and distribution of resources, in particular to groups with less access to donors). In 2023 and 2024 we continued providing various types of support to the humanitarian response, as well as slowly begun to shift financial support to other areas of need flagged by Ukrainian organisations, incl. adaptation to new circumstances, reconstruction of Ukraine and return to human rights works. In addition, ILGA-Europe increased its efforts to secure its funding sources despite the instability caused by the recent political elections and their results in 2024.

# Expenditures

## Analysis

The total of expenditures registered in financial year 2024 amounted to 5,777,164 €, compared to 7,440,034 € in the provisional 2024 budget approved by the General Meeting, and the 5,716,648 € in actual 2023 expenses. In the course of the year a higher volume of funds became available (see Annex 3, Budget to Actual, 2024 Updated Budget set), but due to political developments in the high-risk areas of the region close to year-end, several activities and funding streams were postponed to the following year. It was expected that around 1 million € would be spent by the end of March 2025.

Nonetheless, it's important to note that the 5,777,164 € in actual expenditures is a significant amount, carried out with only a slight increase in staffing (1 new position opened in the second half of the year 2024). This represents a sharp increase in activities, re-granting, in-person events and other developments and meant a huge increase in burden for the staff and on the systems and procedures of ILGA-Europe. What is more, these expenses were being made on budgets raised largely between 2019 and 2023, when the cost of living was significantly lower. Inflation on salaries in Belgium reached an exceptional 12.6% in the course of 2022, and according to the Belgian Federal Bureau of Statistics, travel costs, as measured by inflation for transport services and goods, showed a slower increase in 2024 compared to prior years. The inflation rate for transportation services stood at 4.86% in December 2024 and 2.28% in January 2025, far below the peak of 14.23% recorded in June 2022. Accommodation prices increased by approximately 4-5% in 2024, while meal and catering costs increased by around 3-4%, reflecting ongoing inflationary pressures. The costs of service and expert fees also varied depending on contractors' countries of operation but generally ranged from 3% to 8% in 2024, slightly lower than previous years due to moderating inflation.

The specific breakdown of actual 2024 expenditures per budget category, in comparison with the 2024 budget and 2023 actuals, is provided in the following table.

| | 2024 Approved Budget | 2024 Up-dated Budget | 2024 Actual Expenses | 2023 Actual Expenses | 2024 expenses as % of total expenses | 2024/2023 increase % |
|---|---|---|---|---|---|---|
| **Total salaries** | 2,768,853 | 2,592,635 | 2,379,905 | 2,248,846 | 41% | 6% |
| **Total office costs** | 394,525 | 388,304 | 372,102 | 380,278 | 6% | -2% |
| **Total Annual Conference** | 480,200 | 546,136 | 486,514 | 475,587 | 8% | 2% |
| **Total Board meetings** | 34,000 | 35,000 | 44,837 | 41,422 | 1% | 8% |
| **Total work programme** | 735,761 | 709,181 | 401,415 | 435,827 | 7% | -8% |
| **Total organisational development and fundraising** | 52,000 | 100,427 | 55,254 | 233,523 | 1% | -76% |
| **Total re-granting** | 2,957,107 | 3,120,403 | 2,043,795 | 1,892,612 | 35% | 8% |
| **Total other** | 17,588 | 23,329 | (6,658) | 8,554 | 0% | -178% |
| **TOTAL EXPENDITURES** | **7,440,034** | **7,515,416** | **5,777,164** | **5,716,648** | | **1%** |

Staff costs accounted for 41% of the total expenses in 2024, while in 2023 constituted 39%. Re-granting increased from 33% to 35%. The office and administrative costs incurred remain at a similar level of less than 10%, as do governance and work programme costs. In 2023, organisational development costs increased due to the leadership transition, but in 2024 these amounts represented only 1% of total expenditure. The losses and non-allocable expenses, which amounted around (6,600) € in 2024, remain negligible. Further details of the expenditures are available in the full Members' Version of the Treasurer's Report, in the following sections.

## Use of core funds and unrestricted funds

As mentioned in the previous sections, ILGA-Europe's unrestricted or flexible funding is limited, and with the growth of the overall budget, the share of unrestricted and flexible funding dropped significantly. In 2024, the majority of these kinds of resources (core support grants, donations and sponsorships) was used to cover the co-funding requirement of the European Commission Operating Grant (approx. 350 000 € / year), ineligible costs and losses (10 000 – 100 000 €/ year), and various budget gaps, primarily connected to the Annual Conference, or staff and office costs which cannot be claimed under projects. ILGA-Europe's need for unrestricted resources is high. The costs included under these funds in the year included:

- 293,403 € as co-funding for EC funding,
- 114,957 € as coverage of staff time that exceeded approved project budgets, and another 186,152 € to cover staff time and effort that is, by design, not eligible under any current funding (fundraising and strategic litigation work),
- 33,217 € for work programme activities and internal development, incl. strategic planning and leadership transition, annual fundraiser, communications, campaigning and member organisation training,
- 146,460 € the Annual Conference,
- 71,612 € for office and administrative costs exceeding project budgets,
- 83,163 € for ineligible re-granting costs and other losses.

As of 2020 ILGA-Europe also proactively earmarks foreseen unrestricted funds to be used for re-granting, work programme and enabling participation of more scholars in the Annual Conference.

# Year-end closing

## Reserve information

The audit of financial year 2024 took place in January 2025 and has been carried out by Callens, Vandelanotte & Theunissen BV, members of the Crowe Global network. The auditors were contracted by the Executive Board and are independent, certified auditors. The controls performed included the overall compliance of ILGA-Europe with Belgian General Accounting Principles, incl. the verification of income, expenditures, receivables, payables and deferrals, as well as specific verifications of income and expenses under the European Commission operating grant, and expenses of 6 other projects.

Specific attention was paid to ILGA-Europe's implementation of own procedures and policies, such as procurement, management of assets and depreciation, risk management, compliance with sanctions, and re-granting. Several subgrants were audited, sourced from a diverse range of funding. The auditors also controlled the implementation of Board and membership issued decisions, especially around budgets and allocation of unrestricted funding to different parts of operations.

The auditors have indicated that no issues were found and therefore they will provide an unqualified opinion – the most positive result of this type of audit. It will confirm recognized income of 5 884 307 €, expenses of 5 777 164 €, and a year-end result of 107 143 €. This year-end result was primarily sourced from unrestricted funds and extraordinary income. The table below shows a progression of reserves built up from year-end results between 2014 and 2024. Before this time, according to European Commission regulations, ILGA-Europe was not allowed to retain any resources for its equity, and therefore was often operating at a deficit.

## Overview of reserves

| | *January 1st* | *Year-end result* | *December 31st* |
|---|---|---|---|
| *2014* | -76,702.52 | 70,774.42 | -5,928.10 |
| *2015* | -5,928.10 | 56,537.41 | 50,609.31 |
| *2016* | 50,609.31 | 53,866.77 | 104,476.08 |
| *2017* | 104,476.08 | -60,978.20 | 43,497.88 |
| *2018* | 43,497.88 | 43,578.65 | 87,076.53 |
| *2019* | 87,076.53 | 71,643.96 | 158,720.49 |
| *2020* | 158,720.49 | 99,575.28 | 258,295.77 |
| *2021* | 258,295.77 | 170,179.87 | 428,475.64 |
| *2022* | 428,475.64 | 80,817.39 | 509,293.03 |
| *2023* | 509,293.03 | 119,332.77 | 628,625.80 |
| *2024* | **628,625.80** | **107,143.00** | **735,768.80** |

A reserve building plan was put into place in 2018 which set the objective of reaching 500,000 € in reserves, approx. 15% of the annual budget at the time, by 2023. This objective was achieved, and a new reserve policy was put in place in 2023 to further specify the resources that should be allocated to the general, operating reserve, and the social fund, which is an element of ILGA-Europe's obligations as a Belgian employer. This reserve building plan assumes reaching 1,000,000 € by 2027. Based on the decision of the Executive Board, the year-end result of 107,143 € was divided between the operating reserve and the social fund as follows:

- 85,714.40 € to the operating reserve – bringing the total up to 591,319.45 €
- 21,428.60 € to the social fund – bringing the total up to 144,449.35 €.

Contributions to the social fund have been limited in the previous years due to the need to urgently build up operating reserves. These are needed to secure operations in the case of unforeseen changes, losses of revenues, occurrence of needs, as well as to aid cash flow against delays of receipt of funds from funders.