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**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**  
**(DBA FUNDERS FOR LGBTQ ISSUES)**

**Financial Statements**

For the years ended December 31, 2018 and 2017

**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**  
**(DBA FUNDERS FOR LGBTQ ISSUES)**

**Financial Statements**

December 31, 2018 and 2017

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## **Independent Auditors' Report**

To the Board of Directors of  
Funders for Lesbian and Gay Issues, Inc.  
(DBA Funders for LGBTQ Issues)

### ***Report on the financial statements***

We have audited the accompanying financial statements of Funders for Lesbian and Gay Issues, Inc. (DBA Funders for LGBTQ Issues) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2018 and 2017 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's responsibility for the financial statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Funders for Lesbian and Gay Issues, Inc. (DBA Funders for LGBTQ Issues) as of December 31, 2018 and 2017, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

NCheng LLP

New York, New York  
June 12, 2019

**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.****(DBA FUNDERS FOR LGBTQ ISSUES)****Statements of Financial Position**

As of December 31,

	<u>2018</u>	<u>2017</u>
<b><u>Assets</u></b>		
Cash	\$ 32,824	\$ 280,768
Investments – Note 4	602,749	507,335
Grants receivable, net – Note 8	1,665,379	900,188
Prepaid expenses	34,913	31,781
Fixed assets – Note 6	8,542	17,991
Software	-	17,000
Other assets	<u>2,208</u>	<u>4,622</u>
Total assets	<u>\$ 2,346,615</u>	<u>\$ 1,759,685</u>
<b><u>Liabilities and net assets</u></b>		
<b><u>Liabilities</u></b>		
Accounts and accrued expenses payable	\$ 32,035	\$ 19,416
Grants payable	-	32,500
Deferred revenue	<u>5,350</u>	<u>16,000</u>
Total liabilities	<u>37,385</u>	<u>67,916</u>
<b><u>Net assets</u></b>		
Without donor restrictions:		
Operating fund	134,579	232,652
Reserve fund – Note 5	<u>550,000</u>	<u>500,000</u>
Total net assets without donor restrictions	684,579	732,652
With donor restrictions – Note 7	<u>1,624,651</u>	<u>959,117</u>
Total net assets	<u>2,309,230</u>	<u>1,691,769</u>
Total liabilities and net assets	<u>\$ 2,346,615</u>	<u>\$ 1,759,685</u>

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

**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.****(DBA FUNDERS FOR LGBTQ ISSUES)****Statement of Activities**

For the year ended December 31, 2018

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<b><u>Revenue and support</u></b>			
Foundation grants		\$ 2,547,935	\$ 2,547,935
Institutional memberships	\$ 309,750		309,750
Individual memberships and donations	13,427		13,427
Program fees	103,235		103,235
Dividends and interest, net of investment fees – Note 4	<u>11,755</u>		<u>11,755</u>
Total revenue	438,167	2,547,935	2,986,102
Net assets released from restrictions – Note 7	<u>1,882,401</u>	( 1,882,401)	<u>-</u>
Total revenue and support	<u>2,320,568</u>	<u>665,534</u>	<u>2,986,102</u>
<b><u>Expenses</u></b>			
<b>Program services</b>			
Out in the South initiative	834,676		834,676
Other philanthropic programs and services	<u>1,138,522</u>		<u>1,138,522</u>
Total program services	<u>1,973,198</u>		<u>1,973,198</u>
<b>Supporting services</b>			
Management and general	240,815		240,815
Fundraising	<u>122,419</u>		<u>122,419</u>
Total supporting services	<u>363,234</u>		<u>363,234</u>
Total expenses	<u>2,336,432</u>		<u>2,336,432</u>
Change in net assets from operations	( 15,864)	665,534	649,670
Nonoperating:			
Net realized/unrealized loss on investment – Note 4	( 32,209)		( 32,209)
Change in net assets	( 48,073)	665,534	617,461
Net assets, beginning of year	<u>732,652</u>	<u>959,117</u>	<u>1,691,769</u>
Net assets, end of year	<u>\$ 684,579</u>	<u>\$ 1,624,651</u>	<u>\$ 2,309,230</u>

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

**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.****(DBA FUNDERS FOR LGBTQ ISSUES)****Statement of Activities**

For the year ended December 31, 2017

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<b><u>Revenue and support</u></b>			
Foundation grants		\$ 2,236,017	\$ 2,236,017
Institutional memberships	\$ 277,000		277,000
Individual memberships and donations	8,195		8,195
Program fees	131,220		131,220
Dividends and interest, net of investment fees – Note 4	<u>7,635</u>		<u>7,635</u>
Total revenue	424,050	2,236,017	2,660,067
Net assets released from restrictions – Note 7	<u>1,694,850</u>	( <u>1,694,850</u> )	<u>-</u>
Total revenue and support	<u>2,118,900</u>	( <u>541,167</u> )	<u>2,660,067</u>
<b><u>Expenses</u></b>			
<b><u>Program services</u></b>			
Out in the South initiative	785,085		785,085
Other philanthropic programs and services	<u>964,743</u>		<u>964,743</u>
Total program services	<u>1,749,828</u>		<u>1,749,828</u>
<b><u>Supporting services</u></b>			
Management and general	216,116		216,116
Fundraising	<u>141,892</u>		<u>141,892</u>
Total supporting services	<u>358,008</u>		<u>358,008</u>
Total expenses	<u>2,107,836</u>		<u>2,107,836</u>
Change in net assets from operations	11,064	541,167	552,231
Nonoperating:			
Net realized/unrealized gain on investments – Note 4	<u>39,058</u>		<u>39,058</u>
Change in net assets	50,121	541,167	591,289
Net assets, beginning of year	<u>682,530</u>	<u>417,950</u>	<u>1,100,480</u>
Net assets, end of year	<u>\$ 732,652</u>	<u>\$ 959,117</u>	<u>\$ 1,691,769</u>

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

**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.****(DBA FUNDERS FOR LGBTQ ISSUES)****Statement of Functional Expenses**

For the year ended December 31, 2018

	<u>Program services</u>			<u>Supporting services</u>		<u>Total program and supporting services</u>
	Out in the South Initiative	Other philanthropic programs and services	Programs total	Management and general	Fund-raising	
Salaries	\$ 221,250	\$ 446,070	\$ 667,320	\$ 144,586	\$ 77,854	\$ 889,760
Payroll taxes and benefits	64,887	119,851	184,738	40,029	21,553	246,320
Total personnel costs	286,137	565,921	852,058	184,615	99,407	1,136,080
Grants	472,500	7,500	480,000	-	-	480,000
Printing and design	13,047	37,871	50,918	1,361	734	53,013
Travel	35,388	119,550	154,938	3,980	3,157	162,075
Meetings and conferences	10,637	169,165	179,802	2,777	1,889	184,468
Professional and consulting fees	16,036	125,484	141,520	28,499	3,803	173,822
Occupancy	-	45,675	45,675	9,896	5,329	60,900
Office expenses	-	19,061	19,061	5,047	4,689	28,797
Telephone	-	11,133	11,133	1,017	547	12,697
Postage and mailing	595	8,847	9,442	294	852	10,588
Other	336	21,228	21,564	1,794	1,185	24,543
Total expenses before depreciation	834,676	1,131,435	1,966,111	239,280	121,592	2,326,983
Depreciation	-	7,087	7,087	1,535	827	9,449
Total expenses	<u>\$ 834,676</u>	<u>\$ 1,138,522</u>	<u>\$ 1,973,198</u>	<u>\$ 240,815</u>	<u>\$ 122,419</u>	<u>\$ 2,336,432</u>

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



**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.****(DBA FUNDERS FOR LGBTQ ISSUES)****Statement of Functional Expenses**

For the year ended December 31, 2017

	<u>Program services</u>			<u>Supporting services</u>		<u>Total program and supporting services</u>
	<u>Out in the South Initiative</u>	<u>Other philanthropic programs and services</u>	<u>Programs total</u>	<u>Management and general</u>	<u>Fund-raising</u>	
Salaries	\$ 204,603	\$ 373,267	\$ 577,870	\$ 70,382	\$ 92,607	\$ 740,859
Payroll taxes and benefits	62,998	115,355	178,353	21,776	27,997	228,126
Total personnel costs	267,601	488,622	756,223	92,158	120,604	968,985
Grants	445,000	8,750	453,750	-	-	453,750
Printing and design	923	27,699	28,622	2,872	2,872	34,366
Travel	38,321	79,943	118,264	17,035	-	135,299
Meetings and conferences	17,983	200,154	218,137	-	2,297	220,434
Professional and consulting fees	10,207	96,404	106,611	45,800	-	152,411
Occupancy	-	30,600	30,600	10,200	10,200	51,000
Office expenses	4,352	11,150	15,502	13,138	4,334	32,974
Telephone	-	13,097	13,097	694	694	14,485
Postage and mailing	698	5,811	6,509	813	813	8,135
Write-off uncollectable pledges	-	-	-	11,627	-	11,627
Other	-	2,513	2,513	12,061	78	14,652
Total expenses before depreciation	785,085	964,743	1,749,828	206,398	141,892	2,098,118
Depreciation	-	-	-	9,718	-	9,718
Total expenses	<u>\$ 785,085</u>	<u>\$ 964,743</u>	<u>\$ 1,749,828</u>	<u>\$ 216,116</u>	<u>\$ 141,892</u>	<u>\$ 2,107,836</u>

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

**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.****(DBA FUNDERS FOR LGBTQ ISSUES)****Statements of Cash Flows**

For the years ended December 31,

	<u>2018</u>	<u>2017</u>
<b>Cash flows from operating activities</b>		
Change in net assets	\$ 617,461	\$ 591,289
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	9,449	9,718
(Gains)/losses on investments	( 808 )	( 1,279 )
Unrealized (gains)/losses on investments	33,017	( 37,779 )
Change in grants receivable	( 765,191 )	( 697,212 )
Change in prepaid expenses	( 3,132 )	29,074
Change in other assets	2,414	634
Change in accounts and accrued expenses payable	12,619	10,890
Change in grants payable	( 32,500 )	32,500
Change in deferred revenue	( <u>10,650</u> )	( <u>12,405</u> )
Net cash (used in) operating activities	( <u>137,321</u> )	( <u>49,760</u> )
<b>Cash flows from investing activities</b>		
Purchase of fixed assets	-	( 13,470 )
Purchase of software	-	( 17,000 )
Refund of software purchased	17,000	-
Purchases of investments	( <u>127,623</u> )	( <u>102,498</u> )
Net cash (used in) investing activities	( <u>110,623</u> )	( <u>132,968</u> )
Net (decrease) in cash	( 247,944 )	( 182,728 )
Cash, beginning of year	<u>280,768</u>	<u>463,496</u>
Cash, end of year	<u>\$ 32,824</u>	<u>\$ 280,768</u>

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

## **FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**

**(DBA FUNDERS FOR LGBTQ ISSUES)**

### **Notes to Financial Statements**

December 31, 2018 and 2017

#### **Note 1 Organization**

Funders for Lesbian and Gay Issues, Inc. (“Funders,” doing business as “Funders for LGBTQ Issues”) works to increase the scale and impact of philanthropic resources aimed at enhancing the well-being of lesbian, gay, bisexual, transgender and queer communities, promoting equity, and advancing racial, economic and gender justice.

Funders for LGBTQ Issues accomplishes its goals through three core sets of activities:

- **Research:** Funders for LGBTQ Issues has a long history of reporting on LGBTQ grantmaking by both U.S. foundations and international institutions. We produce an annual tracking report and other special reports to monitor the character of LGBTQ funding and identify trends, gaps, and opportunities. Our reports on domestic and global LGBTQ funding are considered the field’s most reliable and useful source of data on resource flows to LGBTQ communities. Our reports have been cited by academic journals, think tanks, non-governmental organizations, government agencies, newspapers, blogs, and other media.
- **Training and Support Services:** Funders for LGBTQ Issues provides individualized training and advising for funders new to LGBTQ issues. We collaborate with funders to help them identify how LGBTQ issues intersect with a range of grantmaking priorities. We connect with allies in foundations not yet funding LGBTQ issues and support them in building institutions that are more inclusive and responsive to LGBTQ communities.
- **Convening and Collective Action:** Funders for LGBTQ Issues regularly convenes grantmakers committed to LGBTQ issues so that they may connect with one another, learn from each other, coordinate their efforts, and maximize their impact. We host working groups and initiatives on specific topics to help funders shape funding strategies and leverage opportunities for new philanthropic partnerships. Through participation in other philanthropic conferences and partnerships with other funder networks, we also broaden our reach and ensure LGBTQ voices are present in vital funding conversations.

Funders for LGBTQ Issues is exempt from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code.

#### **Note 2 Summary of significant accounting policies**

**Basis of presentation.** The financial statements of Funders for LGBTQ Issues have been prepared on the accrual basis in accordance with accounting principles generally accepted in the United States of America (“US GAAP”).

**Reclassifications.** Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financials. These reclassifications have no effect on the changes in net assets.

**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**

**(DBA FUNDERS FOR LGBTQ ISSUES)**

**Notes to Financial Statements**

December 31, 2018 and 2017

**Note 2 Summary of significant accounting policies – (continued)**

**Financial statement presentation.** Funders for LGBTQ Issues reports information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions: Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. The board of director has designated from net assets without donor restrictions an operating reserve.

Net assets with donor restrictions: Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of Funders for LGBTQ Issues or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statement of activities.

**Measure of operations.** The statement of activities reports all changes in net assets, including changes in net assets from operating and non-operating activities. Operating activities consist of those items attributable to the Funders for LGBTQ Issues' ongoing activities. Non-operating activities are limited to resources that generate return from investments, endowment contributions, financing costs, and other activities considered to be of a more unusual or nonrecurring nature.

**Revenue recognition.** Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activity as net assets released from restrictions.

Unconditional and conditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their future cash flows. The discounts on those amounts are computed using risk-adjusted interest rate applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue. Conditional promises to give are not included as support until the conditions are substantially met.

**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**

**(DBA FUNDERS FOR LGBTQ ISSUES)**

**Notes to Financial Statements**

December 31, 2018 and 2017

**Note 2 Summary of significant accounting policies – (continued)**

**Revenue recognition – (continued).** Gifts of goods and equipment are reported as unrestricted support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. In the absence of explicit donor stipulations about how long those long-lived assets must be maintained, Funders for LGBTQ Issues reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

**Cash and cash equivalents.** Funders for LGBTQ Issues' cash consists of cash on deposit with bank. Cash equivalents represent money market funds or short-term investments with original maturities of three months or less from the date of purchase, except for those amounts that are held in the investment portfolio which are invested for long-term purposes.

**Investments.** Investments are reported at cost, if purchased, or at fair value, if donated. Thereafter, investments are reported at their fair values in the statements of financial position, and changes in fair value are reported as investment return in the statements of activities.

Purchases and sales of securities are reflected on a trade-date basis. Gains and losses on sales of securities are based on average cost and are recorded in the statements of activities in the period in which the securities are sold. Interest is recorded when earned. Dividends are accrued as of the ex-dividend date.

**Fair value measurements.** Fair value is defined as the price that would be received to sell an asset in the principal or most advantageous market for the asset in an orderly transaction between market participants on the measurement date. Fair value should be based on the assumptions market participants would use when pricing an asset. US GAAP establishes a fair value hierarchy that prioritizes investments based on those assumptions. The fair value hierarchy gives the highest priority to quoted prices in active markets (observable inputs) and the lowest priority to an entity's assumptions (unobservable inputs). Funders for LGBTQ Issues groups assets at fair value in three levels, based on the markets in which the assets and liabilities are traded, and the reliability of the assumptions used to determine fair value. These levels are:

- Level 1 Unadjusted quoted market prices for identical assets or liabilities in active markets as of the measurement date.
- Level 2 Other observable inputs, either directly or indirectly, including:
  - Quoted prices for similar assets/liabilities in active markets;
  - Quoted prices for identical or similar assets in non-active markets;
  - Inputs other than quoted prices that are observable for the asset/liability; and,
  - Inputs that are derived principally from or corroborated by other observable market data.
- Level 3 Unobservable inputs that cannot be corroborated by observable market data.

**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**

**(DBA FUNDERS FOR LGBTQ ISSUES)**

**Notes to Financial Statements**

December 31, 2018 and 2017

**Note 2 Summary of significant accounting policies – (continued)**

**Allowance for doubtful accounts.** Management has determined that no allowance for uncollectible accounts for accounts receivable or contributions receivable is necessary as of December 31, 2018 and 2017. Such estimate is based on management's assessment of the creditworthiness of its donors, the aged basis of its receivables, as well as current economic conditions and historical information.

**Use of estimates.** The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Fixed assets.** Computers, furniture and equipment are stated at cost, less accumulated depreciation computed on the straight-line method. Computers, furniture and equipment are depreciated over their estimated useful lives of 3 years.

**Functional allocation of expenses.** The costs of providing program and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated among program and supporting services benefited. Such allocations are determined by management on an equitable basis. The expenses that are allocated include the following:

<u>Expense</u>	<u>Method of allocation</u>
Salary and benefits	Time and effort
Printing and design	By specific program; then by time and effort
Travel	By specific program; then by time and effort
Meetings and conferences	By specific program; then by time and effort
Professional fees	By specific program; then by time and effort
Occupancy	Time and effort
Office expenses	By specific program; then by time and effort
Telephone	Time and effort
Postage and mailing	By specific program; then by time and effort
Miscellaneous	By specific program; then by time and effort

**Concentration of credit and market risk.** Financial instruments, which potentially subject Funders for LGBTQ Issues to concentrations of credit risk consist primarily of cash. Funders for LGBTQ Issues maintains cash in bank deposits which, at times, may exceed the current insured amount under the Federal Deposit Insurance Corporation (FDIC). As of December 31, 2018 and 2017, Funders for LGBTQ Issues' cash balance exceeded the current insured amount under FDIC by approximately \$0 and \$33,576, respectively. Funders for LGBTQ Issues has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk therein.

**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.****(DBA FUNDERS FOR LGBTQ ISSUES)****Notes to Financial Statements**

December 31, 2018 and 2017

**Note 2 Summary of significant accounting policies – (continued)**

**Grant expenses.** Contributions made and unconditional promises to give are recognized as expenses in the period made at their fair value. As of December 31, 2018 and 2017, Funders for LGBTQ Issues had grant expenses of \$480,000 and \$453,750 respectively.

**Income taxes.** Funders for LGBTQ Issues is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Management has analyzed tax positions taken for filing with the Internal Revenue Service and state jurisdictions where it operates. Management does not anticipate any significant uncertain tax positions that would require recognition in the financial statements. Periods ending December 31, 2015 and subsequent remain subject to examination by the taxing authorities.

**New accounting pronouncement.** On August 18, 2016, FASB issued ASU 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. Funders for LGBTQ Issues has implemented ASU 2016-14 and has adjusted the presentation of these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

**Note 3 Availability and liquidity**

The following represents Funders for LGBTQ Issues' financial assets at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Financial assets at year-end:		
Cash	\$ 32,824	\$ 280,768
Grants and other receivables	1,665,379	900,188
Investments	<u>602,749</u>	<u>507,335</u>
Total financial assets	<u>2,300,952</u>	<u>1,688,291</u>
Adjustment: amounts not available to be used within one year:		
Net assets with donor restrictions	1,624,651	959,117
Net assets with purpose restrictions to be met in less than a year	<u>( 966,500 )</u>	<u>( 518,568 )</u>
	<u>658,151</u>	<u>440,549</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,642,801</u>	<u>\$ 1,247,742</u>

**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.****(DBA FUNDERS FOR LGBTQ ISSUES)****Notes to Financial Statements**

December 31, 2018 and 2017

**Note 3 Availability and liquidity – (continued)**

Funders for LGBTQ Issues' goal is to maintain available financial assets sufficient to meeting 90 days of general operating expenses. General operating expenses average \$100,000 per month. To meet obligations and cash liquidity needs, Funders for LGBTQ Issues may borrow from the board designated reserve fund with the approval of the Executive Committee.

**Note 4 Investments**

Investments consist primarily of equity securities and mutual funds reported at fair value as follows:

	<u>2018</u>	<u>2017</u>
Cash and cash equivalents	172,211	2,220
Mutual funds	298,649	142,186
Equity funds	<u>131,889</u>	<u>362,929</u>
	<u>\$ 602,749</u>	<u>\$ 507,335</u>

As of December 31, 2018 and 2017, all investments were considered level 1 investments.

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2018 and 2017.

Net investment income consists of:

	<u>2018</u>	<u>2017</u>
Dividends and interest	\$ 15,592	\$ 10,836
Investment fees	( <u>3,837</u> )	( <u>3,201</u> )
Net	<u>\$ 11,755</u>	<u>\$ 7,635</u>
Realized gains (losses)	\$ 808	\$ 1,279
Unrealized gains (losses)	( <u>33,017</u> )	<u>37,779</u>
Net	<u>\$ 32,209</u>	<u>\$ 39,058</u>



**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.****(DBA FUNDERS FOR LGBTQ ISSUES)****Notes to Financial Statements**

December 31, 2018 and 2017

**Note 5 Reserve fund**

A reserve fund was designated by the Board of Directors in 2002 to assure long-term financial sustainability of the organization. During 2018, an additional \$50,000 was transferred from the operating fund to the reserve fund. As of December 31, 2018 and 2017, reserve fund balance was \$550,000 and \$500,000, respectively. Disbursements from the reserve fund are subject to authorization from the Executive Committee.

**Note 6 Fixed assets**

Fixed assets are as follows:

	<u>2018</u>	<u>2017</u>
Computers and software	\$ 58,801	\$ 58,801
Furniture and equipment	<u>8,950</u>	<u>8,950</u>
Total	67,751	67,751
Less: accumulated depreciation	( <u>59,209</u> )	( <u>49,760</u> )
Net	<u>\$ 8,542</u>	<u>\$ 17,991</u>

**Note 7 Net assets with donor restrictions**

Net assets with donor restrictions as of December 31, 2018 consist of the following:

	<u>Beginning balances</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending balances</u>
Adam Queer Youth Initiative	\$ 12,000	\$ -	\$ 12,000	\$ -
Global Resources Report	-	44,225	44,225	-
Philanthropy Demographic Survey	35,000	-	35,000	-
Funding Forward	-	150,000	85,000	65,000
State Funders Working Group	-	30,000	30,000	-
Out in the South Initiative	528,376	955,712	834,676	649,412
Grantmakers United for Trans Communities Initiative	122,392	53,375	127,500	48,267
Small Project Grants	-	38,000	28,000	10,000
General support (time restricted)	<u>261,349</u>	<u>1,276,623</u>	<u>686,000</u>	<u>851,972</u>
Total	<u>\$ 959,117</u>	<u>\$ 2,547,935</u>	<u>\$ 1,882,401</u>	<u>\$ 1,624,651</u>

**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.****(DBA FUNDERS FOR LGBTQ ISSUES)****Notes to Financial Statements**

December 31, 2018 and 2017

**Note 7 Net assets with donor restrictions – (continued)**

Net assets with donor restrictions as of December 31, 2017 consist of the following:

	Beginning balances	Additions	Releases	Ending balances
Adam Queer Youth Initiative	\$ 20,750	\$ -	\$ 8,750	\$ 12,000
Global Resources Report	-	55,100	55,100	-
Philanthropy Demographic Survey	-	100,000	65,000	35,000
Funding Forward	66,000	59,500	125,500	-
State Funders Working Group	-	30,000	30,000	-
Out in the South Initiative	291,200	987,176	750,000	528,376
Grantmakers United for Trans Communities Initiative	-	254,392	132,000	122,392
Small Project Grants	-	43,500	43,500	-
General support (time restricted)	40,000	706,349	485,000	261,349
Total	<u>\$ 417,950</u>	<u>\$ 2,236,017</u>	<u>\$ 1,694,850</u>	<u>\$ 959,117</u>

**Note 8 Grants receivable**

Grants receivable are recorded as support when pledged unless designated otherwise. All grants are deemed fully collectible. Accordingly, no allowance for uncollectible contributions has been recorded as of December 31, 2018 and 2017. For multiyear grants received during years ended December 31, 2018 and 2017, discount rates of 2.25% and 1.78% have been used to calculate the present value of future collections of grants receivable, respectively. Grants are expected to be realized in the following periods:

	2018	2017
In one year or less	\$ 1,229,752	\$ 644,271
One to two years	455,000	270,000
Less: discount	( 19,373 )	( 14,083 )
	<u>\$ 1,665,379</u>	<u>\$ 900,188</u>

**FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**  
**(DBA FUNDERS FOR LGBTQ ISSUES)**

**Notes to Financial Statements**  
December 31, 2018 and 2017

**Note 9 Employee benefit plan**

Funders for LGBTQ Issues has a defined contribution 401(k) plan (“the Plan”) covering all eligible employees. Employees may make contributions to the plan up to the maximum amount allowed by the Internal Revenue Code. Funders for LGBTQ Issues matches all enrolled employees annual contributions up to 2%. In addition, Funders for LGBTQ Issues has a “Safe Harbor” plan. This plan requires the organization to make an annual, automatic contribution to all employees eligible for the contribution regardless of whether the employee has contributed to the plan. The contribution is equal to 4% of the total employee’s compensation for the quarter and is made at the end of every quarter. Employer contributions amounted to \$49,816 and \$43,388 for the years ended December 31, 2018 and 2017, respectively.

**Note 10 Operating lease**

Funders for LGBTQ Issues occupies office in New York City at 45 West 36<sup>th</sup> Street under a non-cancellable operating lease expiring on June 30, 2019. Rental expenses for the years ended December 31, 2018 and 2017 was \$60,900 and \$51,000, respectively.

**Note 11 Subsequent events**

Funders for LGBTQ Issues has evaluated events and transactions for potential recognition or disclosure through June 12, 2019, which is the date the financial statements were available to be issued. There were no subsequent events requiring adjustment to the financial statements or disclosures.