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

Financial Statements

For the years ended December 31, 2019 and 2018

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December 31, 2019 and 2018

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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, 2019 and 2018 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, 2019 and 2018, 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.

A handwritten signature in blue ink that reads "NChing LLP". The signature is written in a cursive, slightly slanted style.

New York, New York
July 23, 2020

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

As of December 31,

	<u>2019</u>	<u>2018</u>
<u>Assets</u>		
Cash	\$ 280,084	\$ 32,824
Investments – Note 4	570,811	602,749
Grants receivable, net – Note 6	922,731	1,665,379
Prepaid expenses	46,983	34,913
Fixed assets, net – Note 7	2,246	8,542
Other assets	<u>5,908</u>	<u>2,208</u>
Total assets	<u>\$ 1,828,763</u>	<u>\$ 2,346,615</u>
 <u>Liabilities and Net Assets</u>		
<u>Liabilities</u>		
Accounts and accrued expenses payable	\$ 30,492	\$ 32,035
Deferred revenue	<u>7,100</u>	<u>5,350</u>
Total liabilities	<u>37,592</u>	<u>37,385</u>
 <u>Net assets</u>		
Without donor restrictions:		
Operating fund	223,707	134,579
Reserve fund – Note 5	<u>550,000</u>	<u>550,000</u>
Total net assets without donor restrictions	773,707	684,579
With donor restrictions – Note 8	<u>1,017,464</u>	<u>1,624,651</u>
Total net assets	<u>1,791,171</u>	<u>2,309,230</u>
Total liabilities and net assets	<u>\$ 1,828,763</u>	<u>\$ 2,346,615</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, 2019

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
<u>Revenue and support</u>			
Foundation grants	-	\$ 1,472,808	\$ 1,472,808
Institutional memberships	\$ 413,250	-	413,250
Individual memberships and donations	17,379	-	17,379
Program fees	94,169	-	94,169
Investment income, net – Note 4	<u>79,577</u>	<u>-</u>	<u>79,577</u>
Total revenue	604,375	1,472,808	2,077,183
Net assets released from restrictions – Note 8	<u>2,079,995</u>	<u>(2,079,995)</u>	<u>-</u>
Total revenue and support	<u>2,684,370</u>	<u>(607,187)</u>	<u>2,077,183</u>
<u>Expenses</u>			
Program services			
Out in the South initiative	803,048		803,048
Other philanthropic programs and services	<u>1,341,478</u>		<u>1,341,478</u>
Total program services	<u>2,144,526</u>		<u>2,144,526</u>
Supporting services			
Management and general	253,893		253,893
Fundraising	<u>196,823</u>		<u>196,823</u>
Total supporting services	<u>450,716</u>		<u>450,716</u>
Total program and supporting services expenses	<u>2,595,242</u>		<u>2,595,242</u>
Change in net assets	89,128	(607,187)	(518,059)
Net assets, beginning of year	<u>684,579</u>	<u>1,624,651</u>	<u>2,309,230</u>
Net assets, end of year	<u>\$ 773,707</u>	<u>\$ 1,017,464</u>	<u>\$ 1,791,171</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>
<u>Revenue and support</u>			
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
Investment loss, net – Note 4	(20,454)	-	(20,454)
Total revenue	405,958	2,547,935	2,953,893
Net assets released from restrictions – Note 8	<u>1,882,401</u>	<u>(1,882,401)</u>	<u>-</u>
Total revenue and support	<u>2,288,359</u>	<u>665,534</u>	<u>2,953,893</u>
<u>Expenses</u>			
<u>Program services</u>			
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>
<u>Supporting services</u>			
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 program and supporting services expenses	<u>2,336,432</u>		<u>2,336,432</u>
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 Functional Expenses**

For the year ended December 31, 2019

	Program services			Supporting services		Total
	Out in	Other	Total	Management	Fund-	program
	the South	philanthropic	program	and general	raising	and
	Initiative	programs and	program			supporting
		services	services			services
Salaries	\$ 227,889	\$ 534,751	\$ 762,640	\$ 158,685	\$ 120,791	\$ 1,042,116
Payroll taxes and benefits	66,815	168,637	235,452	48,989	37,292	321,733
Total personnel costs	294,704	703,388	998,092	207,674	158,083	1,363,849
Grants	412,500	-	412,500	-	-	412,500
Printing and design	598	48,631	49,229	1,540	1,231	52,000
Travel	36,399	116,694	153,093	4,070	3,444	160,607
Meetings and conferences	20,876	171,927	192,803	3,973	4,262	201,038
Professional/consulting fees	32,434	169,283	201,717	32,382	11,542	245,641
Occupancy	1,027	44,763	45,790	9,410	7,527	62,727
Office expenses	1,562	17,442	19,004	3,803	3,041	25,848
Telephone	1,254	14,901	16,155	3,320	2,655	22,130
Postage and mailing	1,694	9,708	11,402	355	640	12,397
Other	-	25,160	25,160	2,542	2,507	30,209
Total expenses before depreciation	803,048	1,321,897	2,124,945	269,069	194,932	2,588,946
Depreciation	-	4,596	4,596	944	756	6,296
Total expenses	<u>\$ 803,048</u>	<u>\$ 1,326,493</u>	<u>\$ 2,129,541</u>	<u>\$ 270,013</u>	<u>\$ 195,688</u>	<u>\$ 2,595,242</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</u>
	<u>Out in</u>	<u>Other</u>	<u>Total</u>	<u>Management</u>	<u>Fund-</u>	<u>program</u>
	<u>the South</u>	<u>philanthropic</u>	<u>program</u>	<u>and general</u>	<u>raising</u>	<u>and</u>
	<u>Initiative</u>	<u>programs and</u>	<u>services</u>			<u>supporting</u>
		<u>services</u>				<u>services</u>
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/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)****Statements of Cash Flows**

For the years ended December 31,

	<u>2019</u>	<u>2018</u>
Cash flows from operating activities		
Change in net assets	(\$ 518,059)	\$ 617,461
Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:		
Depreciation	6,296	9,449
Realized and unrealized (gains)/losses on investments	(68,609)	32,209
Change in grants receivable	742,648	(765,191)
Change in prepaid expenses	(12,070)	(3,132)
Change in other assets	(3,700)	2,414
Change in accounts and accrued expenses payable	(1,543)	12,619
Change in grants payable	-	(32,500)
Change in deferred revenue	<u>1,750</u>	<u>(10,650)</u>
Net cash provided by/(used in) operating activities	<u>146,713</u>	<u>(137,321)</u>
Cash flows from investing activities		
Refund of software purchased	-	17,000
Sales of investments	1,031,387	663,613
Purchases of investments	<u>(930,840)</u>	<u>(791,236)</u>
Net cash provided by/(used in) investing activities	<u>100,547</u>	<u>(110,623)</u>
Net increase/(decrease) in cash	247,260	(247,944)
Cash, beginning of year	<u>32,824</u>	<u>280,768</u>
Cash, end of year	<u>\$ 280,084</u>	<u>\$ 32,824</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 the Financial Statements

December 31, 2019 and 2018

Note 1 Organization

Funders for Lesbian and Gay Issues, Inc. (“Funders,” doing business as “Funders for LGBTQ Issues”) is established 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:** 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:** 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 the Financial Statements

December 31, 2019 and 2018

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.

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.

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.

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.

(DBA FUNDERS FOR LGBTQ ISSUES)

Notes to the Financial Statements

December 31, 2019 and 2018

Note 2 Summary of significant accounting policies – (continued)

Cash and cash equivalents. 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 recorded at their readily determinable fair value. Realized and unrealized gains and losses are included in investment income or loss, net of any investment fees in the statements of activities.

Fair value measurements. The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1) and the least priority to unobservable inputs (level 3). The three levels of the fair value hierarchy are described as follows:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that Funders for LGBTQ Issues has the ability to access.

Level 2 Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

Allowance for doubtful accounts. Management has determined that no allowance for uncollectible accounts for grants or contributions receivable is necessary as of December 31, 2019 and 2018. 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.

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.

(DBA FUNDERS FOR LGBTQ ISSUES)

Notes to the Financial Statements

December 31, 2019 and 2018

Note 2 Summary of significant accounting policies – (continued)

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
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

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, 2019, Funders for LGBTQ Issues' cash balance exceeded the current insured amount under FDIC. Funders for LGBTQ Issues has not experienced any losses in such accounts and believes it is not exposed to any significant financial risk therein.

Grant expenses. Grants made and unconditional promises to give are recognized as expenses in the period at their fair value. As of December 31, 2019 and 2018, Funders for LGBTQ Issues had grant expenses of \$412,500 and \$480,000 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, 2016 and subsequent remain subject to examination by the taxing authorities.

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

December 31, 2019 and 2018

Note 3 Availability and liquidity

The following represents Funders for LGBTQ Issues financial assets at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Financial assets at year-end:		
Cash	\$ 280,084	\$ 32,824
Grants and other receivables	922,731	1,665,379
Investments	<u>570,811</u>	<u>602,749</u>
Total financial assets	<u>1,773,626</u>	<u>2,300,952</u>
Less: Net assets with donor restrictions	(<u>1,017,464</u>)	(<u>1,624,651</u>)
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 756,162</u>	<u>\$ 676,301</u>

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

Investment in common stock, mutual funds and ETFs are measured using Level 1 inputs, which is defined as those that are the quoted prices in active markets for identical assets. The following summarizes the composition of investments:

	<u>2019</u>		<u>2018</u>	
	<u>Cost</u>	<u>Fair Value</u>	<u>Cost</u>	<u>Fair Value</u>
Cash and cash equivalents	\$ 4,569	\$ 4,569	\$ 172,003	\$ 172,212
Equities – common stock	110,973	154,064	78,552	91,992
Equities – ETFs	21,147	28,384	31,485	39,897
Equities – mutual funds	135,152	148,344	117,619	104,395
Fixed income – mutual funds	212,129	211,534	171,171	166,413
Non-traditional – mutual funds	15,642	15,709	20,663	19,477
Commodities – ETFs	<u>8,354</u>	<u>8,207</u>	<u>10,268</u>	<u>8,363</u>
	<u>\$ 507,966</u>	<u>\$ 570,811</u>	<u>\$ 601,761</u>	<u>\$ 602,749</u>

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

December 31, 2019 and 2018

Note 4 Investments – (continued)

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2019 and 2018.

	<u>2019</u>	<u>2018</u>
Dividends and interest	\$ 14,529	\$ 15,592
Realized gains	8,243	808
Unrealized gains/(losses)	60,366	(33,017)
Investment fees	(<u>3,561</u>)	(<u>3,837</u>)
Net investment income/(loss)	<u>\$ 79,577</u>	<u>(\$ 20,454)</u>

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, 2019 and 2018, reserve fund balance was \$550,000 for each year, respectively. Disbursements from the reserve fund are subject to authorization from the Executive Committee.

Note 6 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, 2019 and 2018. For multiyear grants received during the prior 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:

	<u>2019</u>	<u>2018</u>
In one year or less	\$ 917,743	\$ 1,229,752
One to two years	15,000	455,000
Less: discount	(<u>10,012</u>)	(<u>19,373</u>)
	<u>\$ 922,731</u>	<u>\$ 1,665,379</u>

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

December 31, 2019 and 2018

Note 7 Fixed assets

Fixed assets are as follows:

	<u>2019</u>	<u>2018</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>65,505</u>)	(<u>59,209</u>)
Fixed assets, net	<u>\$ 2,246</u>	<u>\$ 8,542</u>

Note 8 Net assets with donor restrictions

Net assets with donor restrictions as of December 31, 2019 consist of the following:

	<u>Beginning balances</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending balances</u>
Global Resources Report	\$ -	\$ 35,000	(\$ 17,500)	\$ 17,500
State Funders Working Group	-	50,000	(50,000)	-
Funding Forward	65,000	95,000	(115,000)	45,000
Out in the South Initiative	649,412	600,201	(803,048)	446,565
Grantmakers United for Trans Communities Initiative	48,267	138,733	(177,000)	10,000
Small Project Grants	10,000	51,447	(56,447)	5,000
General support (time restricted)	<u>851,972</u>	<u>502,427</u>	<u>(861,000)</u>	<u>493,399</u>
Total	<u>\$ 1,624,651</u>	<u>\$ 1,472,808</u>	<u>(\$ 2,079,995)</u>	<u>\$ 1,017,464</u>

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 the Financial Statements

December 31, 2019 and 2018

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 \$59,840 and \$49,816 for the years ended December 31, 2019 and 2018, respectively.

Note 10 Operating lease

Funders for LGBTQ Issues occupies office in New York City at 45 West 36th Street under a non-cancellable operating lease expiring on June 30, 2021. Rental expenses for the years ended December 31, 2019 and 2018 was \$62,727 and \$60,900, respectively.

Future minimum annual lease obligations are:

	<u>Year ending December 31,</u>	
2020		\$ 62,609
2021		<u>32,782</u>
Total		<u>\$ 95,391</u>

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.

(DBA FUNDERS FOR LGBTQ ISSUES)

Notes to the Financial Statements

December 31, 2019 and 2018

Note 11 Subsequent events

Funders for LGBTQ Issues has evaluated events and transactions for potential recognition or disclosure through July 23, 2020, which is the date the financial statements were available to be issued and has concluded that except as set forth below, no subsequent events occurred requiring adjustment to or disclosure in the financial statements.

In January 2020, the World Health Organization declared a Public Health Emergency of international concern as a result of the spread of a new virus – corona virus (COVID-19). This contagious disease outbreak, which has continued to spread to many countries, and any related adverse public health developments, could adversely affect Funders for LGBTQ Issues. The outbreak could affect workforces, customers, economies and financial markets globally, potentially leading to an economic downturn. The effects of an economic downturn on Funders for LGBTQ Issues cannot be determined at this time.

To provide relief efforts to nonprofits and other small businesses, the government extended Paycheck Protection Program to assist these businesses with payroll and to satisfy certain utilities. Funders for LGBTQ Issues applied for and was approved a \$196,400 loan under the Paycheck Protection Program which is administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. Funders for LGBTQ Issues is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.