
FUNDERS FOR LESBIAN AND GAY ISSUES, INC.

Financial Statements

For the years ended December 31, 2017 and 2016

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.

Financial Statements

December 31, 2017 and 2016

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Independent Auditors' Report

To the Board of Directors of
Funders for Lesbian and Gay Issues, Inc.

Report on the financial statements

We have audited the accompanying financial statements of Funders for Lesbian and Gay Issues, Inc., which comprise the statements of financial position as of December 31, 2017 and 2016 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 auditors' 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. as of December 31, 2017 and 2016, 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.

NChing LLP

New York, New York
June 5, 2018

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**Statements of Financial Position**

As of December 31,

	<u>2017</u>	<u>2016</u>
<u>Assets</u>		
Cash	\$ 280,768	\$ 463,496
Investments – Note 3	507,335	365,779
Grants receivable, net – Note 7	900,188	202,976
Prepaid expenses	31,781	60,855
Fixed assets – Note 5	17,991	14,239
Software	17,000	-
Other assets	<u>4,622</u>	<u>5,256</u>
Total assets	<u>\$ 1,759,685</u>	<u>\$ 1,112,601</u>
 <u>Liabilities and net assets</u>		
<u>Liabilities</u>		
Accounts and accrued expenses payable	\$ 19,416	\$ 8,526
Grants payable	32,500	-
Deferred revenue	<u>16,000</u>	<u>3,595</u>
Total liabilities	<u>67,916</u>	<u>12,121</u>
 <u>Net assets</u>		
Unrestricted:		
Operating fund	232,652	182,530
Reserve fund – Note 4	<u>500,000</u>	<u>500,000</u>
Total unrestricted	732,652	682,530
Temporarily restricted – Note 6	<u>959,117</u>	<u>417,950</u>
Total net assets	<u>1,691,769</u>	<u>1,100,480</u>
Total liabilities and net assets	<u>\$ 1,759,685</u>	<u>\$ 1,112,601</u>

See notes to financial statements.

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**Statement of Activities and Change in Net Assets**

For the year ended December 31, 2017

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
<u>Revenue and support</u>			
Foundation grants	\$ 130,000	\$ 2,236,017	\$ 2,366,017
Institutional memberships	147,000		147,000
Individual memberships	8,195		8,195
Program fees	131,220		131,220
Net investment income – Note 3	46,693		46,693
Total revenue	463,108	2,236,017	2,699,125
Net assets released from restrictions – Note 6	1,694,850	(1,694,850)	-
Total revenue and support	<u>2,157,958</u>	<u>541,167</u>	<u>2,699,125</u>
<u>Expenses</u>			
<u>Program services</u>			
Out in the South initiative	785,085		785,085
Other philanthropic programs and services	964,743		964,743
Total program services	<u>1,749,828</u>		<u>1,749,828</u>
<u>Supporting services</u>			
Management and general	216,116		216,116
Fundraising	141,892		141,892
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	50,122	541,167	591,289
Net assets, beginning of year	682,530	417,950	1,100,480
Net assets, end of year	<u>\$ 732,652</u>	<u>\$ 959,117</u>	<u>\$ 1,691,769</u>

See notes to financial statements.

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**Statement of Activities and Change in Net Assets**

For the year ended December 31, 2016

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
<u>Revenue and support</u>			
Foundation grants	\$ 80,000	\$ 1,073,190	\$ 1,153,190
Institutional memberships	184,050		184,050
Individual memberships	13,584		13,584
Program fees	70,953		70,953
Net investment income – Note 3	16,307		16,307
	<u>364,894</u>	<u>1,073,190</u>	<u>1,438,084</u>
Total revenue			
Net assets released from restrictions – Note 6	1,438,490	(1,438,490)	-
	<u>1,803,384</u>	<u>(365,300)</u>	<u>1,438,084</u>
Total revenue and support			
<u>Expenses</u>			
Program services			
Philanthropy services	1,548,019		1,548,019
	<u>1,548,019</u>		<u>1,548,019</u>
Supporting services			
Management and general	170,094		170,094
Fundraising	106,397		106,397
	<u>276,491</u>		<u>276,491</u>
Total supporting services			
Total expenses	<u>1,824,510</u>		<u>1,824,510</u>
Change in net assets	(21,126)	(365,300)	(386,426)
Net assets, beginning of year	703,656	783,250	1,486,906
	<u>703,656</u>	<u>783,250</u>	<u>1,486,906</u>
Net assets, end of year	<u>\$ 682,530</u>	<u>\$ 417,950</u>	<u>\$ 1,100,480</u>

See notes to financial statements.

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**Statement of Functional Expenses**

For the year ended December 31, 2017

	<u>Program services</u>			<u>Supporting services</u>		Total program and supporting services
	<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>

See notes to financial statements.

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**Statement of Functional Expenses**

For the year ended December 31, 2016

	<u>Program services</u>	<u>Supporting services</u>		<u>Total program and supporting services</u>
	<u>Philanthropy services</u>	<u>Management and general</u>	<u>Fund- raising</u>	
Salaries	\$ 515,730	\$ 71,811	\$ 65,282	\$ 652,823
Payroll taxes and benefits	<u>156,999</u>	<u>22,688</u>	<u>19,965</u>	<u>199,652</u>
Sub-total	672,729	94,499	85,247	852,475
Grants	466,300	-	-	466,300
Printing and design	40,182	3,603	3,602	47,387
Travel	84,502	15,198	-	99,700
Meetings and conferences	111,565	-	1,642	113,207
Professional and consulting fees	117,659	20,900	-	138,559
Occupancy	21,000	10,500	10,500	42,000
Office expenses	13,475	7,983	3,808	25,266
Telephone	13,310	939	938	15,187
Postage and mailing	5,145	643	643	6,431
Other	<u>2,152</u>	<u>7,602</u>	<u>17</u>	<u>9,771</u>
Total expenses before depreciation	1,548,019	161,867	106,397	1,816,283
Depreciation	<u>-</u>	<u>8,227</u>	<u>-</u>	<u>8,227</u>
Total expenses	<u>\$ 1,548,019</u>	<u>\$ 170,094</u>	<u>\$ 106,397</u>	<u>\$ 1,824,510</u>

See notes to financial statements.

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**Statements of Cash Flows**

For the years ended December 31,

	<u>2017</u>	<u>2016</u>
Cash flows from operating activities		
Change in net assets	\$ 591,289	(\$ 386,426)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	9,718	8,227
(Gains)/losses on investments	(1,279)	-
Unrealized (gains)/losses on investments	(37,779)	(11,991)
Change in grants receivable	(697,212)	419,903
Change in prepaid expenses	29,074	(28,970)
Change in other assets	634	(335)
Change in accounts and accrued expenses payable	10,890	(5,306)
Change in grants payable	32,500	-
Change in deferred revenue	<u>12,405</u>	<u>6,309</u>
Net cash provided by (used in) operating activities	(<u>49,760</u>)	<u>1,411</u>
Cash flows from investing activities		
Purchase of fixed assets	(13,470)	(10,839)
Purchase of software	(17,000)	-
Proceeds from sales of investments	-	90,053
Purchases of investments	<u>(102,498)</u>	<u>-</u>
Net cash provided by (used in) investing activities	(<u>132,968</u>)	<u>79,214</u>
Net increase (decrease) in cash	(182,728)	80,625
Cash, beginning of year	<u>463,496</u>	<u>382,871</u>
Cash, end of year	<u>\$ 280,768</u>	<u>\$ 463,496</u>

See notes to financial statements.

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.

Notes to Financial Statements

December 31, 2017 and 2016

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 of accounting in accordance with accounting principles generally accepted in the United States of America.

Financial statement presentation. The financial statement presentation follows the accounting standards for not-for-profit organizations. Under these standards, an organization is required to report information regarding its financial position and activities according to three classes of net assets depending on the existence and/or nature of any donor restrictions as follows: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.

Notes to Financial Statements

December 31, 2017 and 2016

Note 2 Summary of significant accounting policies - (continued)

Unrestricted net assets consist of unrestricted contributions and other resources not subject to donor-imposed restrictions.

Temporarily restricted net assets consist of contributions and other inflow of assets whose use by the recipient is limited by donor-imposed stipulation. When donor restrictions expire, that is, when a stipulated time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets consist of net assets that are limited by donors for investment in perpetuity.

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.

Accounting for website and software development costs. All costs incurred in the planning stage of developing a website are expensed as incurred as are internal and external training costs and maintenance costs. Fees incurred to internet service providers in return for hosting a website on their servers are expensed over the period of benefit. Fees paid to consultants that develop computer systems and software used for Funders for LGBTQ Issues' internal reporting and management functions are deferred and amortized on the straight-line method over a 3 to 5 year period that begins when the system becomes operational.

External and internal costs, incurred during the application development stage of internal use website software are capitalized. Upgrades and enhancements that result in additional functionality to the website software, which enable it to perform tasks that was previously incapable of performing, are also capitalized.

Capitalized internal use website development costs are amortized using the straight-line method over its estimated useful life of three years and begins when all substantial testing of the website is completed and the website is ready for its intended use.

Investments. Investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values based on quoted prices in active markets (all Level 1 measurements) in the statement of financial position. Unrealized gains and losses are included in the change in net assets.

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, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activity as net assets released from restrictions.

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.

Notes to Financial Statements

December 31, 2017 and 2016

Note 2 Summary of significant accounting policies - (continued)

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.

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, 2017 and 2016. 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.

Functional allocation of expenses. The cost of providing the various programs and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services in reasonable ratios determined by management.

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, 2017 and 2016, Funders for LGBTQ Issues' cash balance exceeded the current insured amount under FDIC by approximately \$33,576 and \$213,496, 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.

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, 2017 and 2016, Funders for LGBTQ Issues had grant expenses of \$453,750 and \$466,300 respectively.

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**Notes to Financial Statements**

December 31, 2017 and 2016

Note 2 Summary of significant accounting policies - (continued)

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, 2014 and subsequent remain subject to examination by the taxing authorities.

Reclassifications. Certain prior year balances have been reclassified for comparative purposes to conform with the presentation in the current year financial statements. The reclassifications have no effect in net assets.

Note 3 Investments and fair value measurements

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

Fair values of assets measured on a recurring basis at December 31, 2017 are as follows:	Quoted prices in active markets for identified assets	
	Total	(Level 1)
Cash	\$ 2,220	\$ 2,220
Equity securities:		
Common stock	100,440	100,440
U.S. large-cap blend	27,728	27,728
U.S. large-cap growth	14,018	14,018
	<u>142,186</u>	<u>142,186</u>
Mutual funds:		
U.S. large-cap growth	53,934	53,934
Foreign large-cap growth	11,827	11,827
Non-traditional bond	75,476	75,476
Intermediate-term bond	211,008	211,008
Long-short credit	10,684	10,684
Total investments	<u>\$ 507,335</u>	<u>\$ 507,335</u>

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**Notes to Financial Statements**

December 31, 2017 and 2016

Note 3 Investments and fair value measurements – (continued)

Fair values of assets measured on a recurring basis at December 31, 2016 are as follows:	Total	Quoted prices in active markets for identified assets (Level 1)
	<u>Total</u>	<u>(Level 1)</u>
Cash	\$ 9,179	\$ 9,179
Equity securities:		
Common stock	78,500	78,500
U.S. large-cap blend	23,218	23,218
U.S. large-cap growth	10,663	10,663
	<u>112,381</u>	<u>112,381</u>
Mutual funds:		
U.S large-cap growth	22,675	22,675
Foreign large-cap growth	9,624	9,624
Non-traditional bond	50,975	50,975
Intermediate-term bond	150,415	150,415
Long-short credit	10,326	10,326
World bond	204	204
	<u>204</u>	<u>204</u>
Total investments	<u>\$ 365,779</u>	<u>\$ 365,779</u>

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31, 2017 and 2016.

Net investment income consists of:

	<u>2017</u>	<u>2016</u>
Interest and dividends	\$ 10,836	\$ 11,498
Realized gains (losses)	1,279	(3,868)
Unrealized gains	37,779	11,991
Investment fees	(3,201)	(3,314)
Net investment income	<u>\$ 46,693</u>	<u>\$ 16,307</u>

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**Notes to Financial Statements**

December 31, 2017 and 2016

Note 4 Reserve fund

In 2002, a reserve fund was designated by the Board of Directors to assure long-term financial sustainability of the organization. During 2016, an additional \$50,000 was transferred from the operating fund to the reserve fund. As of December 31, 2017 and 2016, reserve fund balance was \$500,000. Disbursements from the reserve fund are subject to authorization from the Board of Directors.

Note 5 Fixed assets

Fixed assets are as follows:

	<u>2017</u>	<u>2016</u>
Computers and software	\$ 58,801	\$ 45,331
Furniture and equipment	<u>8,950</u>	<u>8,950</u>
Total	67,751	54,281
Less: accumulated depreciation	(<u>49,760</u>)	(<u>40,042</u>)
Net	<u>\$ 17,991</u>	<u>\$ 14,239</u>

Note 6 Temporarily restricted net assets

Temporarily restricted net assets as of December 31, 2017 consist of the following:

	<u>Beginning balances</u>	<u>Additions</u>	<u>Releases</u>	<u>Ending balances</u>
Adam Queer Youth Initiative	\$ 20,750	\$ -	\$ 8,750	\$ 12,000
Global Resources Report	-	55,100	55,100	-
Evelyn and Walter Haas Jr. Fund	-	100,000	65,000	35,000
Funding Forward	66,000	59,500	125,500	-
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	-	73,500	73,500	-
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>

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.**Notes to Financial Statements**

December 31, 2017 and 2016

Note 6 Temporarily restricted net assets – (continued)

Temporarily restricted net assets as of December 31, 2016 consist of the following:

	Beginning balances	Additions	Releases	Ending balances
Adam Queer Youth Initiative	\$ 33,250	\$ -	\$ 12,500	\$ 20,750
Funding Forward	-	120,500	54,500	66,000
Health Project	75,000	-	75,000	-
Out in the South Initiative	420,000	585,000	713,800	291,200
Grantmakers United for Trans Communities Initiative	-	85,000	85,000	-
Small Project Grants	-	40,190	40,190	-
General support (time restricted)	255,000	242,500	457,500	40,000
Total	<u>\$ 783,250</u>	<u>\$ 1,073,190</u>	<u>\$ 1,438,490</u>	<u>\$ 417,950</u>

Note 7 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, 2017 and 2016. A discount rate of 1.78% has been used to calculate the present value of future collections of grants receivable. Grants are expected to be realized in the following periods:

	2017	2016
In one year or less	\$ 374,271	\$ 202,976
One to two years	540,000	-
Less: discount	(14,083)	-
	<u>\$ 900,188</u>	<u>\$ 202,976</u>

Note 8 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 \$43,388 and \$40,344 for the years ended December 31, 2017 and 2016, respectively.

FUNDERS FOR LESBIAN AND GAY ISSUES, INC.

Notes to Financial Statements

December 31, 2017 and 2016

Note 9 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, 2019. Future minimum annual lease obligations are:

Year ending December 31,

2018	\$ 60,900
2019	<u>30,900</u>
Total	<u>\$ 91,800</u>

Rental expenses for the years ended December 31, 2017 and 2016 was \$51,000 and \$42,000, respectively.

Note 10 Subsequent events

Funders for LGBTQ issues has evaluated events and transactions for potential recognition or disclosure through June 5, 2018, 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.