

**THE ASTRAEA FOUNDATION, INC.**  
**(d/b/a Astraea Lesbian Foundation for Justice)**

**FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**



**LUTZ AND GARR**  
CERTIFIED PUBLIC ACCOUNTANTS, LLP  
551 FIFTH AVENUE - SUITE 400, NEW YORK, NY 10176  
212-697-2299 FAX: 212-949-1768

## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors of  
The Astraea Foundation, Inc.  
(d/b/a Astraea Lesbian Foundation for Justice)

We have audited the accompanying financial statements of The Astraea Foundation, Inc. (d/b/a Astraea Lesbian Foundation for Justice) (a nonprofit organization), which comprise the statements of financial position as of June 30, 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 of 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 The Astraea Foundation, Inc. (d/b/a Astraea Lesbian Foundation for Justice) as of June 30, 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.

**Emphasis of Matter**

As discussed in Note 16 to the financial statements, in March 2020, the United States declared the global pandemic novel coronavirus COVID-19 outbreak a national emergency. As a result, The Astraea Foundation, Inc. (d/b/a Astraea Lesbian Foundation for Justice) has deferred some of its program activities at the direction of state and local governmental authorities. Our opinion is not modified with respect to that matter.

*Lotz + Carr, LLP*

New York, New York  
May 20, 2020

**THE ASTRAEA FOUNDATION, INC.**  
**(d/b/a Astraea Lesbian Foundation for Justice)**

**STATEMENTS OF FINANCIAL POSITION**

**JUNE 30, 2019 AND 2018**

	<b>2019</b>	<b>2018</b>
<b>Assets</b>		
Cash and cash equivalents (Notes 2b and 5a)	\$ 2,401,703	\$ 1,960,026
Accounts receivable	99,404	50,127
Contributions receivable (Notes 2c, 5b and 6)	2,563,030	3,767,040
Prepaid expenses	180,936	240,387
Investments (Notes 2d, 2e, 5a and 7)	11,410,929	12,024,434
Fixed assets, at cost, net of accumulated depreciation and amortization (Notes 2f and 9)	271,448	352,176
Security deposits	12,518	12,518
<b>Total Assets</b>	<b>\$16,939,968</b>	<b>\$18,406,708</b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 918,169	\$ 437,040
Grants payable (Notes 2g and 10)	2,532,511	2,655,944
Note payable (Note 11)	269,101	325,626
Deferred rent (Note 2h)	72,877	65,260
Total Liabilities	3,792,658	3,483,870
Commitments and Contingency (Notes 14 and 15)		
Net Assets		
Without donor restrictions	1,156,466	1,522,805
With donor restrictions (Note 4)	11,990,844	13,400,033
Total Net Assets	13,147,310	14,922,838
<b>Total Liabilities and Net Assets</b>	<b>\$16,939,968</b>	<b>\$18,406,708</b>

**See notes to financial statements.**

THE ASTRAEA FOUNDATION, INC.  
(d/b/a Astraea Lesbian Foundation for Justice)

## STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>Changes in Net Assets</b>						
Support and Revenue						
Grants and contributions (Notes 5b and 13)						
Programs and operations	\$ 1,229,477	\$ 7,260,437	\$ 8,489,914	\$ 880,454	\$10,759,562	\$11,640,016
Sponsored projects	-	1,582,822	1,582,822	-	1,849,643	1,849,643
In-kind contributions (Note 13)	-	111,105	111,105	-	282,850	282,850
Gross benefit event income	-	-	-	248,052	27,918	275,970
Less: Direct expenses	-	-	-	(143,862)	-	(143,862)
Program fees	56,740	-	56,740	40,151	-	40,151
Net investment income (Note 7)	166,203	439,315	605,518	39,920	381,030	420,950
Foreign currency translation gain (loss) (Note 6)	(6,484)	-	(6,484)	-	21,779	21,779
Reimbursed expenses	-	-	-	89,963	-	89,963
Other income	25,668	-	25,668	15,496	-	15,496
	<u>1,471,604</u>	<u>9,393,679</u>	<u>10,865,283</u>	<u>1,170,174</u>	<u>13,322,782</u>	<u>14,492,956</u>
Net assets released from restrictions (Note 4a)						
Core programs and operations	8,709,182	(8,709,182)	-	8,909,684	(8,909,684)	-
Sponsored projects	2,093,686	(2,093,686)	-	1,446,160	(1,446,160)	-
	<u>12,274,472</u>	<u>(1,409,189)</u>	<u>10,865,283</u>	<u>11,526,018</u>	<u>2,966,938</u>	<u>14,492,956</u>
Expenses						
Program Services						
Sponsored projects	1,838,821	-	1,838,821	1,295,052	-	1,295,052
Core programs	8,424,400	-	8,424,400	8,466,488	-	8,466,488
Total Program Services	<u>10,263,221</u>	<u>-</u>	<u>10,263,221</u>	<u>9,761,540</u>	<u>-</u>	<u>9,761,540</u>
Supporting Services						
Administrative and general	1,046,802	-	1,046,802	833,079	-	833,079
Fundraising	1,330,788	-	1,330,788	1,335,273	-	1,335,273
Total Supporting Services	<u>2,377,590</u>	<u>-</u>	<u>2,377,590</u>	<u>2,168,352</u>	<u>-</u>	<u>2,168,352</u>
	<u>12,640,811</u>	<u>-</u>	<u>12,640,811</u>	<u>11,929,892</u>	<u>-</u>	<u>11,929,892</u>
Increase (decrease) in net assets	(366,339)	(1,409,189)	(1,775,528)	(403,874)	2,966,938	2,563,064
Net assets, beginning of year	<u>1,522,805</u>	<u>13,400,033</u>	<u>14,922,838</u>	<u>1,926,679</u>	<u>10,433,095</u>	<u>12,359,774</u>
<b>Net Assets, End of Year</b>	<u>\$ 1,156,466</u>	<u>\$11,990,844</u>	<u>\$13,147,310</u>	<u>\$ 1,522,805</u>	<u>\$13,400,033</u>	<u>\$14,922,838</u>

See notes to financial statements.

**THE ASTRAEA FOUNDATION, INC.**  
**(d/b/a Astraea Lesbian Foundation for Justice)**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2019 WITH COMPARATIVE TOTALS FOR 2018**

	Program Services			Supporting Services		2019	2018
	Core Programs	Sponsored Projects	Total	Administrative and General	Fundraising	Total Expenses	Total Expenses
Salaries	\$1,171,699	\$ 396,520	\$ 1,568,219	\$ 634,392	\$ 636,544	\$ 2,839,155	\$ 2,343,949
Payroll taxes and fringe benefits	283,365	41,799	325,164	112,703	123,262	561,129	503,331
Total Payroll and Related Expenses	1,455,064	438,319	1,893,383	747,095	759,806	3,400,284	2,847,280
Grants	4,433,178	900,174	5,333,352	-	-	5,333,352	5,438,593
Professional and consulting fees	1,583,587	166,153	1,749,740	94,077	172,689	2,016,506	1,706,271
In-kind program costs (Note 13)	111,105	-	111,105	-	-	111,105	282,850
Travel	299,790	31,243	331,033	24,433	56,081	411,547	410,800
Meetings and conferences	176,876	201,467	378,343	13,153	14,993	406,489	287,959
Publicity and promotions	23,937	14,344	38,281	-	6,984	45,265	54,238
Event expenses	-	-	-	-	138,592	138,592	86,557
Occupancy	133,497	77,443	210,940	51,081	71,513	333,534	324,066
Repairs and maintenance	16,521	-	16,521	6,355	29,228	52,104	43,858
Printing and copying	45,993	-	45,993	809	24,309	71,111	126,469
Equipment and software	57,735	-	57,735	8,924	16,507	83,166	76,847
Office supplies and expenses	753	-	753	8,771	177	9,701	12,943
Telephone and communications	3,486	2,495	5,981	28,951	343	35,275	18,213
Website expenses	7,748	-	7,748	100	383	8,231	5,902
Insurance	-	-	-	8,257	-	8,257	10,992
Postage and delivery	2,127	-	2,127	948	1,867	4,942	4,181
Staff development and recruitment	17,017	181	17,198	9,493	5,812	32,503	45,657
Bank and credit card charges	9,692	5,676	15,368	5,930	6,193	27,491	32,779
Dues, fees and subscriptions	2,366	-	2,366	697	2,553	5,616	13,701
Interest expense	-	-	-	17,462	-	17,462	20,378
Bad debt expense	-	-	-	-	-	-	14,159
Miscellaneous	1,949	1,326	3,275	4,121	154	7,550	6,264
Total expenses before depreciation and amortization	8,382,421	1,838,821	10,221,242	1,030,657	1,308,184	12,560,083	11,870,957
Depreciation and amortization	41,979	-	41,979	16,145	22,604	80,728	58,935
Total Expenses, 2019	<u>\$8,424,400</u>	<u>\$1,838,821</u>	<u>\$10,263,221</u>	<u>\$ 1,046,802</u>	<u>\$ 1,330,788</u>	<u>\$12,640,811</u>	
Total Expenses, 2018	<u>\$8,466,488</u>	<u>\$1,295,052</u>	<u>\$ 9,761,540</u>	<u>\$ 833,079</u>	<u>\$ 1,335,273</u>		<u>\$11,929,892</u>

See notes to financial statements.

**THE ASTRAEA FOUNDATION, INC.**  
**(d/b/a Astraea Lesbian Foundation for Justice)**

**STATEMENT OF FUNCTIONAL EXPENSES**

**YEAR ENDED JUNE 30, 2018**

	<u>Program Services</u>			<u>Supporting Services</u>		<u>Total Expenses</u>
	<u>Core Programs</u>	<u>Sponsored Projects</u>	<u>Total</u>	<u>Administrative and General</u>	<u>Fundraising</u>	
Salaries	\$ 977,986	\$ 224,146	\$1,202,132	\$ 465,284	\$ 676,533	\$ 2,343,949
Payroll taxes and fringe benefits	217,021	42,431	259,452	118,080	125,799	503,331
Total Payroll and Related Expenses	<u>1,195,007</u>	<u>266,577</u>	<u>1,461,584</u>	<u>583,364</u>	<u>802,332</u>	<u>2,847,280</u>
Grants	4,889,930	548,663	5,438,593	-	-	5,438,593
Professional and consulting fees	1,269,075	254,559	1,523,634	41,684	140,953	1,706,271
In-kind program costs (Note 13)	282,850	-	282,850	-	-	282,850
Travel	302,389	17,531	319,920	24,762	66,118	410,800
Meetings and conferences	147,522	114,348	261,870	11,122	14,967	287,959
Publicity and promotions	42,590	-	42,590	-	11,648	54,238
Event expenses	-	-	-	-	86,557	86,557
Occupancy	128,498	72,110	200,608	50,391	73,067	324,066
Repairs and maintenance	14,367	-	14,367	5,634	23,857	43,858
Printing and copying	78,034	5,096	83,130	827	42,512	126,469
Equipment and software	51,178	1,376	52,554	8,844	15,449	76,847
Office supplies and expenses	2,590	-	2,590	9,920	433	12,943
Telephone and communications	1,417	3,819	5,236	12,535	442	18,213
Website expenses	3,883	-	3,883	2,008	11	5,902
Insurance	2,436	-	2,436	8,556	-	10,992
Postage and delivery	134	-	134	2,598	1,449	4,181
Staff development and recruitment	7,003	1,778	8,781	13,881	22,995	45,657
Bank and credit card charges	9,421	7,177	16,598	6,613	9,568	32,779
Dues, fees and subscriptions	6,806	-	6,806	1,130	5,765	13,701
Interest expense	-	-	-	20,378	-	20,378
Bad debt expense	-	-	-	14,159	-	14,159
Miscellaneous	1,301	2,018	3,319	2,886	59	6,264
Total expenses before depreciation and amortization	<u>8,436,431</u>	<u>1,295,052</u>	<u>9,731,483</u>	<u>821,292</u>	<u>1,318,182</u>	<u>11,870,957</u>
Depreciation and amortization	<u>30,057</u>	<u>-</u>	<u>30,057</u>	<u>11,787</u>	<u>17,091</u>	<u>58,935</u>
Total Expenses	<u><u>\$8,466,488</u></u>	<u><u>\$1,295,052</u></u>	<u><u>\$9,761,540</u></u>	<u><u>\$ 833,079</u></u>	<u><u>\$ 1,335,273</u></u>	<u><u>\$11,929,892</u></u>

See notes to financial statements.

**THE ASTRAEA FOUNDATION, INC.**  
**(d/b/a Astraea Lesbian Foundation for Justice)**

**STATEMENTS OF CASH FLOWS**

**YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>Cash Flows From Operating Activities</b>		
Increase (decrease) in net assets	\$(1,775,528)	\$2,563,064
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities:		
Depreciation	80,728	58,935
Net realized gain on investments	(142,034)	(95,587)
Net unrealized gain on investments	(289,146)	(228,259)
Bad debt expense	-	14,159
(Increase) decrease in:		
Accounts receivable	(49,277)	(38,981)
Contributions receivable	1,204,010	(987,600)
Prepaid expenses	59,451	39,533
Increase (decrease) in:		
Accounts payable and accrued expenses	481,129	(36,767)
Grants payable	(123,433)	731,920
Deferred rent	7,617	13,346
Net Cash Provided (Used) By Operating Activities	<u>(546,483)</u>	<u>2,033,763</u>
 <b>Cash Flows from Investing Activities</b>		
Acquisition of fixed assets	-	(1,000)
Purchase of investments	(2,175,831)	(2,068,610)
Proceeds from sale of investments	<u>3,220,516</u>	<u>201,078</u>
Net Cash Provided (Used) By Investing Activities	<u>1,044,685</u>	<u>(1,868,532)</u>
 <b>Cash Flows from Financing Activities</b>		
Principal payments on note payable	<u>(56,525)</u>	<u>(53,289)</u>
Net increase in cash and cash equivalents	441,677	111,942
Cash and cash equivalents, beginning of year	<u>1,960,026</u>	<u>1,848,084</u>
 <b>Cash and Cash Equivalents, End of Year</b>	 <u><u>\$ 2,401,703</u></u>	 <u><u>\$1,960,026</u></u>
 <b>Supplemental Disclosures of Cash Flow Information</b>		
Cash paid during the year for interest	<u><u>\$ 17,736</u></u>	<u><u>\$ 20,972</u></u>

**See notes to financial statements.**



**THE ASTRAEA FOUNDATION, INC.**  
**(d/b/a Astraea Lesbian Foundation for Justice)**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**Note 1 - Organization**

The Astraea Foundation, Inc. (d/b/a Astraea Lesbian Foundation for Justice) ("Astraea") works for social, racial and economic justice in the U.S. and internationally by funding LGBTQI organizations and engaging in philanthropic advocacy. Astraea's work helps lesbians and allied communities challenge oppression and claim their human rights.

In pursuing its mission, Astraea raises and disburses funds to programs and initiatives that directly benefit or serve diverse constituencies; expands the community of individuals and institutions that support lesbian and trans issues; promotes community-building, capacity building, and movement-building; and educates individuals about money, philanthropic giving and the role of grantmaking in achieving common goals.

**Note 2 - Summary of Significant Accounting Policies**

a - Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

b - Cash and Cash Equivalents

For purposes of the statement of cash flows, Astraea considers all highly liquid debt instruments, purchased with a maturity of three months or less, to be cash equivalents, except for those short-term investments managed by Astraea's investment managers as part of their long-term investment strategies.

c - Contributions

Contributions are recognized when the donor makes a promise to give to Astraea, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are classified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Astraea uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

**THE ASTRAEA FOUNDATION, INC.**  
**(d/b/a Astraea Lesbian Foundation for Justice)**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**Note 2 - Summary of Significant Accounting Policies (continued)**

d - Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value is a market-based measurement, not an entity-based measurement. Generally accepted accounting principles establish a framework for measuring fair value which maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those the market participants would use in pricing the asset based on market data obtained from sources independent of Astraea. Unobservable inputs reflect Astraea's assumptions about the inputs market participants would use in pricing the asset developed based on the best information available in the circumstances.

Fair value measurements are categorized into three levels as follows:

- Level 1 Inputs that reflect unadjusted quoted prices in active markets for identical assets or liabilities that Astraea has the ability to access at the measurement date.
- Level 2 Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly or indirectly, including inputs in markets that are not considered to be active.
- Level 3 Inputs that are unobservable.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

e - Investments

Investments are measured at fair value on a recurring basis. Interest, dividends and gains and losses on investments are reflected in the statement of activities as increases and decreases in net assets without donor restrictions unless their use is restricted by explicit donor stipulations or by law. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions.

f - Fixed Assets

Astraea capitalizes expenditures for furniture and equipment and leasehold improvements in excess of \$1,500. Fixed assets are recorded at cost and are being depreciated using the straight-line method over the estimated useful life of the related asset.

**THE ASTRAEA FOUNDATION, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**Note 2 - Summary of Significant Accounting Policies (continued)**

g - Grant Expenses

Unconditional grants made are recognized at the time authorized.

h - Deferred Rent

Rent expense is recognized on a straight-line basis over the life of the lease. The difference between the straight-line amount and the amount actually paid during the year is recorded as deferred rent in the accompanying financial statements.

i - Financial Statement Presentation

The financial statements of Astraea have been prepared in accordance with U.S. generally accepted accounting principles, which require Astraea to report 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 Astraea. These net assets may be used at the discretion of Astraea's management and board of directors.

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 Astraea or the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

j - Program Fees

Program fees are recognized as income when the respective program takes place.

k - In-Kind Contributions

Contributed securities are recorded at market value at the date of receipt. Donated services are reflected in the statement of activities at their fair value. Materials and other assets received as donations are recorded and reflected in the accompanying financial statements at their fair values at the date of receipt.

l - Functional Allocation of Expenses

The financial statements report certain categories of expenses that are attributable to more than one program or supporting function. Expenses are applied directly to programs where applicable or allocated on a reasonable and consistent basis. A substantial portion of Astraea's expenses are directly related to program activities. Certain salaries and fringe benefits are allocated based on an estimate of employee time and effort. Depreciation, occupancy costs, equipment and software, professional fees and consulting expenses are allocated based on estimated usage.

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**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**Note 2 - Summary of Significant Accounting Policies (continued)**

m - Use of Estimates

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

n - Tax Status

Astraea is a not-for-profit organization, exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code, and has been designated as an organization which is not a private foundation.

o - Subsequent Events

Astraea has evaluated subsequent events through May 20, 2020, the date that the financial statements are considered available to be issued.

p - New Accounting Pronouncements

In 2019, Astraea adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities (Topic 958), Presentation of Financial Statements of Not-for-Profit Entities*. The ASU amends the current reporting model for nonprofit organizations and enhances their required disclosures. The major changes include: (a) requiring the presentation of only two classes of net assets now entitled “net assets without donor restrictions” and “net assets with donor restrictions”; (b) requiring the disclosure of quantitative and qualitative information regarding liquidity and availability of resources; (c) requiring that all nonprofits present an analysis of expenses by function and nature and disclose the methods used to allocate costs; and (d) modifying other financial statement reporting requirements and disclosures intended to increase the usefulness of nonprofit financial statements. As permitted under the ASU in the year of adoption, Astraea opted to not disclose prior year liquidity and availability information.

In February 2016, the FASB issued ASU 2016-02, “Leases (Topic 842)”. The core principles of ASU 2016-02 change the way organizations will account for their leases by recognizing lease assets and related liabilities on the statements of financial position for all leases with terms longer than twelve months and disclosing key information about leasing arrangements. ASU 2016-02 is effective for fiscal years beginning after December 15, 2020. Astraea is currently evaluating the impact of ASU 2016-02 on its financial statements.

**THE ASTRAEA FOUNDATION, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**Note 3 - Information Regarding Liquidity and Availability**

Astraea operates with a balanced budget for each fiscal year based on the revenues expected to be available to fund anticipated expenses. A substantial portion of general expenditures during a given year are funded with operating investment income and contributions raised during the year. Astraea considers general expenditures to consist of all expenses related to its ongoing program services, and the expenses related to management and general and fundraising activities undertaken to support those services.

Astraea regularly monitors liquidity to meet its operating needs and other commitments and obligations, while seeking to maximize the investment of its available funds. Management prepares regular cash flow projections to determine liquidity needs on an ongoing basis. Financial assets in excess of daily cash requirements are invested in money market funds.

Astraea's financial assets as of June 30, 2019, available within one year to meet cash needs for general expenditures are summarized as follows:

Financial Assets at Year End:	
Cash and cash equivalents	\$ 2,401,703
Accounts receivable	99,404
Contributions receivable	2,563,030
Investments	<u>11,410,929</u>
Total Financial Assets	16,475,066
Less: Amounts not Available to be Used within One Year:	
Net assets with donor restrictions, subject to expenditure for specific purposes or passage of time	(8,529,127)
Plus: Net assets with donor restrictions expected to be met in less than one year	4,920,004
Net assets with donor restrictions for endowment, subject to spending policy and appropriation, in excess of amounts appropriated for expenditure within one year	<u>(3,461,717)</u>
Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 9,404,226</u>

**THE ASTRAEA FOUNDATION, INC.**  
**(d/b/a Astraea Lesbian Foundation for Justice)**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**Note 4 - Net Assets With Donor Restrictions**

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2019</u>	<u>2018</u>
Subject to Expenditure for Specific Purpose:		
International Fund	\$ 2,489,553	\$ 3,187,248
International Trans Fund	978,607	1,419,899
US Fund	274,294	1,107,052
LGBTQ Racial Justice Fund	1,014,350	728,911
Grantmaking and other programmatic expenses	281,547	225,068
Global Philanthropy Project	588,549	492,514
Intersex Fund	559,344	358,944
LGBTQ Poverty Initiative	-	175,000
LGBTI Global Development Partnership	56,501	142,876
Philanthropic Advocacy	74,895	79,513
Comms Labs	155,435	50,000
The Pipeline Project	25,839	25,368
Communication	23,750	23,750
Global Arts Fund	20,543	20,223
Lesbians Who Tech	-	5,041
East African Sexual Health and Rights Initiative	708	708
	<u>6,543,915</u>	<u>8,042,115</u>
Subject to Passage of Time for Future Periods	<u>640,756</u>	<u>892,889</u>
Endowments Subject to Spending Policy and Appropriation:		
Investment Income Above Original Gift Amount:		
General operating support	705,241	537,644
Skip Fund for Lesbian Writers and Lesbian Visual Arts	221,670	183,171
International Fund	153,141	97,863
Out Fund	142,059	90,755
Visual Arts Fund	105,212	80,078
Lesbian Writers Fund	8,666	7,384
Lynn Campbell Memorial Grant Fund	8,596	7,088
Margot Karle Scholarship Fund	(129)	(1,271)
	<u>1,344,456</u>	<u>1,002,712</u>
Investment in Perpetuity		
General operating support	1,909,978	1,909,978
International Fund	542,317	542,317
Out Fund	503,401	503,401
Skip Fund for Lesbian Writers and Lesbian Visual Arts	262,686	262,686
Visual Arts Fund	211,000	211,000
Margot Karle Scholarship Fund	14,500	14,500
Lynn Campbell Memorial Grant Fund	10,390	10,390
Lesbian Writers Fund	7,445	7,445
	<u>3,461,717</u>	<u>3,461,717</u>
Total Endowments	<u>4,806,173</u>	<u>4,464,429</u>
Total Net Assets With Donor Restrictions	<u>\$11,990,844</u>	<u>\$13,460,033</u>

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**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**Note 4 - Net Assets With Donor Restrictions (continued)**

Net assets were released from donor restrictions during the year ended June 30, 2019 and 2018 by incurring expenses satisfying restrictions or by the occurrence of other events specified by donors as follows:

	<u>2019</u>	<u>2018</u>
Satisfaction of Purpose Restrictions:		
International Fund	\$ 2,486,600	\$ 2,456,842
LGBTI Global Development Partnership	1,171,370	1,610,734
US Fund	1,490,132	1,580,708
International Trans Fund	1,562,508	1,116,725
LGBTQ Racial Justice Fund	1,168,053	939,966
Intersex Fund	609,489	637,928
Global Philanthropy Project	598,009	618,336
Grantmaking and programmatic expenses	309,243	370,020
The Pipeline Project	261,544	274,855
Philanthropic Advocacy	61,562	62,377
Comms Labs	144,565	-
Lesbians Who Tech	94,634	54,580
LGBTQ Poverty Initiative	175,000	-
Digital Security	-	76,750
Global Arts Fund	-	65,000
Endowment appropriation - general operating	97,571	93,982
Satisfaction of Time Restrictions:		
General operating support	<u>572,588</u>	<u>397,041</u>
Total	<u>\$10,802,868</u>	<u>\$10,355,844</u>

**Note 5 - Concentrations**

- a - Astraea's cash and cash equivalents and investments are insured by the Federal Deposit Insurance Corporation or Securities Investor Protection Corporation, up to certain limits. Balances at times exceed these limits.
- b - Approximately 47% of contribution revenue for the year ended June 30, 2019 was from three foundations. Approximately 50% of contribution revenue for the year ended June 30, 2018 was from two of these foundations and one other one. Approximately 68% of contributions receivable were from four donors at June 30, 2019. Approximately 59% of contributions receivable were due from three donors at June 30, 2018.

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**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**Note 6 - Contributions Receivable**

Contributions receivable as of June 30, 2019 are summarized as follows:

	<b>2019</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Due in less than one year	<u>\$934,662</u>	<u>\$1,628,368</u>	<u>\$2,563,030</u>

Contributions receivable as of June 30, 2018 are due as follows:

	<b>2018</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
Due in less than one year	\$734,271	\$2,299,369	\$3,033,640
Due in one to five years	<u>-</u>	<u>770,829</u>	<u>770,829</u>
	734,271	3,070,198	3,804,469
Less: Discount to present value	<u>-</u>	<u>(37,429)</u>	<u>(37,429)</u>
	<u>\$734,271</u>	<u>\$3,032,769</u>	<u>\$3,767,040</u>

Long-term contributions receivable are discounted to present value using a discount rate of 2.52%.

Contributions receivable at June 30, 2018 included foreign contributions receivable of 200,000 Euros, which was translated at the exchange rate in effect as of June 30, 2018. Gains and (losses) from foreign currency translation for the years ended June 30, 2019 and 2018 totaled \$(6,484) and \$21,779, respectively.



**THE ASTRAEA FOUNDATION, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**Note 7 - Investments**

Investments consist of the following as of June 30:

	<b>2019</b>			
	<b>Cost</b>	<b>Fair Value</b>		
		<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>
Cash and cash equivalents	\$1,473,143	\$1,473,143	\$1,473,143	\$ -
Certificate of deposit	100,000	100,000	100,000	-
Equities				
Domestic	1,430,183	2,043,610	2,043,610	-
International	862,586	980,873	980,873	-
Mutual Funds				
Domestic	1,037,015	1,040,011	1,040,011	-
International	383,388	470,677	470,677	-
Fixed income - international	18,952	16,279	16,279	-
Corporate Bonds				
Domestic	4,086,162	4,125,987	-	4,125,987
International	7,215	8,268	-	8,268
U.S. Government and state obligations	1,108,510	1,141,932	1,141,932	-
Exchange traded products	<u>9,439</u>	<u>10,149</u>	<u>10,149</u>	<u>-</u>
Total	<u>\$10,516,593</u>	<u>\$11,410,929</u>	<u>\$7,276,674</u>	<u>\$4,134,255</u>
	<b>2018</b>			
	<b>Cost</b>	<b>Fair Value</b>		
		<b>Total</b>	<b>Level 1</b>	<b>Level 2</b>
Cash and cash equivalents	\$ 3,932,572	\$ 3,932,572	\$3,932,572	\$ -
Certificate of deposit	100,000	100,000	100,000	-
Equities				
Domestic	1,467,821	1,933,680	1,933,680	-
International	754,431	859,960	859,960	-
Mutual Funds				
Domestic	852,260	823,548	823,548	-
International	407,832	491,378	491,378	-
Fixed income - international	18,952	15,122	15,122	-
Corporate Bonds				
Domestic	2,872,967	2,873,421	-	2,873,421
International	8,369	9,410	-	9,410
U.S. Government and state obligations	<u>1,004,041</u>	<u>985,343</u>	<u>985,343</u>	<u>-</u>
Total	<u>\$11,419,245</u>	<u>\$12,024,434</u>	<u>\$9,141,603</u>	<u>\$2,882,831</u>

**THE ASTRAEA FOUNDATION, INC.**  
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**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**Note 7 - Investments (continued)**

Net investment income for the years ended June 30, 2019 and 2018 consists of the following:

	<u>2019</u>	<u>2018</u>
Interest and dividends	\$231,267	\$152,768
Net realized gain on sale of investments	142,034	95,587
Net unrealized gain	289,147	228,259
Investment fees	<u>(56,930)</u>	<u>(55,664)</u>
Net Investment Income	<u>\$605,518</u>	<u>\$420,950</u>

**Note 8 - Endowment Funds**

Astraea's endowment consists of several individual funds established for the support of its programs and operations. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Consistent with New York State Not-for-Profit Corporation Law and the New York Prudent Management of Institutional Funds Act ("NYPMIFA"), Astraea classifies as net assets with donor restrictions, perpetual in nature (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts donated to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of any applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as perpetual in nature is classified as net assets with donor restrictions until those amounts are appropriated for expenditure.

In accordance with NYPMIFA, Astraea considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (i) the duration and preservation of the endowment fund;
- (ii) the purposes of Astraea and the endowment fund;
- (iii) general economic conditions;
- (iv) the possible effect of inflation or deflation;
- (v) the expected total return from income and the appreciation of investments;
- (vi) other resources of Astraea;
- (vii) where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on Astraea; and
- (viii) the investment policy of Astraea

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**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**Note 8 - Endowment Funds (continued)**

Astraea's endowment funds as of June 30, 2019 and 2018 are summarized by type of fund and net asset classification as follows:

	<b>With Donor Restrictions</b>		
	<b>Investment Income Above Original Gift Amount</b>	<b>Investment in Perpetuity</b>	<b>Total</b>
Donor-restricted endowment funds, 2019	<u>\$1,344,456</u>	<u>\$3,461,717</u>	<u>\$4,806,173</u>
Donor-restricted endowment funds, 2018	<u>\$1,002,712</u>	<u>\$3,461,717</u>	<u>\$4,464,429</u>

Changes in Astraea's endowment funds for the years ended June 30, 2019 and 2018 are summarized as follows:

	<b>2019</b>		
	<b>With Donor Restrictions</b>		
	<b>Investment Income Above Original Gift Amount</b>	<b>Investment in Perpetuity</b>	<b>Total</b>
Endowment funds, beginning of year	\$1,002,712	\$3,461,717	\$4,464,429
Net investment income	439,315	-	439,315
Appropriation of endowment assets for expenditure	<u>(97,571)</u>	<u>-</u>	<u>(97,571)</u>
Endowment Funds, End of Year	<u>\$1,344,456</u>	<u>\$3,461,717</u>	<u>\$4,806,173</u>

	<b>2018</b>		
	<b>With Donor Restrictions</b>		
	<b>Investment Income Above Original Gift Amount</b>	<b>Investment in Perpetuity</b>	<b>Total</b>
Endowment funds, beginning of year	\$ 716,264	\$3,461,717	\$4,177,981
Net investment income	380,430	-	380,430
Appropriation of endowment assets for expenditure	<u>(93,982)</u>	<u>-</u>	<u>(93,982)</u>
Endowment Funds, End of Year	<u>\$1,002,712</u>	<u>\$3,461,717</u>	<u>\$4,464,429</u>

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**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**Note 8 - Endowment Funds (continued)**

Astraea's endowment assets are invested in accordance with investment practices that emphasize long-term investment fundamentals. The primary investment objective is growth of principal sufficient to meet the funding and administrative responsibilities to support future programs and activities. Over the long term, the objective is that the total return on investment assets should equal the rate of inflation, plus an amount to support programs and operations (the payout), plus an amount reinvested to provide for growth of principal. In addition to achieving solid returns through prudent management, Astraea invests its assets in a manner that is socially responsible.

For the general operating endowment, annual appropriations for spending on operations are made in an amount up to 4% of the 3-year rolling average of the fund as of the most recently completed fiscal year. For the year ended June 30, 2019 and 2018, these appropriations totaled \$97,571 and \$93,982, respectively. For program specific endowment funds, annual appropriations for spending in accordance with each fund's programmatic restrictions are made in an amount up to 4% of the 3-year rolling average for each fund (unless otherwise specified by the terms of the fund) as of the most recently completed fiscal quarter. No appropriations were made from these program specific endowments for the year ended June 30, 2019 or 2018.

**Note 9 - Fixed Assets**

Fixed assets consist of the following at June 30, 2019 and 2018:

	<u>Life</u>	<u>2019</u>	<u>2018</u>
Leasehold improvements	Term of lease	\$404,316	\$404,316
Furniture and office equipment	5 years	41,002	41,002
Computer equipment and software	3 years	<u>8,446</u>	<u>8,446</u>
		453,764	453,764
Less: Accumulated depreciation and amortization		<u>(182,316)</u>	<u>(101,588)</u>
		<u>\$271,448</u>	<u>\$352,176</u>

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**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**Note 10 - Grants Payable**

Grants payable as of June 30, 2019 and 2018 are due as follows:

	<u>2019</u>	<u>2018</u>
Due within one year	\$2,532,511	\$2,495,000
Due in one to five years	-	<u>165,000</u>
	<u>2,532,511</u>	<u>2,660,000</u>
Less: Discount to present value	-	<u>(4,056)</u>
	<u>\$2,532,511</u>	<u>\$2,655,944</u>

Long-term grants payable are discounted to present value using a discount rate of 2.52%.

**Note 11 - Note Payable**

On July 8, 2016, Astraea entered into an agreement with a financial institution that provided for borrowings up to \$500,000 for the renovation and reconfiguration of its office facility. Borrowings totaled \$400,000. Borrowings bear interest at an annual interest rate equal to the 7-year Treasury Constant Maturity rate plus 3.52%. Commencing February 8, 2017, pursuant to the terms of the related promissory note, monthly payments of interest and principal commenced. The balance of outstanding principal is due July 8, 2023. The loan is collateralized by all the assets of Astraea.

Principal payments are due as follows:

<u>Year Ending June 30,</u>	
2020	\$ 59,921
2021	63,598
2022	67,460
2023	71,558
Thereafter, through July 8, 2023	<u>6,564</u>
Total	<u>\$269,101</u>

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**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**Note 12 - Fiscal Sponsorship**

Astraea is the fiscal sponsor of International Trans Fund, Lesbians Who Tech, The Pipeline Project, UHA! East African Sexual Health and Rights Initiative, and Vaid Group LGBTQ Poverty Initiative. Astraea retains a portion of funds raised towards these sponsored projects to cover its administrative costs. The net assets for these sponsored projects are reflected in the accompanying financial statements as net assets with donor restrictions.

**Note 13 - Government Grants**

In September 2012, Astraea was awarded by the U.S. Agency for International Development ("USAID") a \$3.5 million grant to support its LGBTI Global Human Rights Partnership program (the "Partnership Program"). Through subsequent amendments, the total funding was increased to \$7.4 million, and the grant period had been extended and was completed by December 10, 2019. In July 2019, USAID awarded a new \$11.5 million grant of which \$3.1 million was obligated through July 25, 2024.

The goal of the Partnership Program is to increase human rights, accountability and protection to LGBTI individuals worldwide through interconnected strategies to create change in six key regions. The purpose is to: 1) build a global LGBTI movement by funding powerful grassroots organizations and activists working in some of the most challenging environments in the world, 2) expand philanthropic resources available to LGBTI organizations internationally, and 3) shift discriminatory attitudes and behaviors through media and communications work.

For the years ended June 30, 2019 and 2018, program costs totaling \$832,489 and \$1,023,737, respectively, were funded by USAID. In-kind contributions were received during the years ended June 30, 2019 and 2018 totaling \$111,105 and \$282,850, respectively, representing donated program costs by implementing partners in connection with the Partnership Program.

Other government grants were received from the U.S. Department of State (\$174,559 for 2019 and \$109,687 for 2018), and Public Health Solutions funded by the Center for Disease Control and Prevention (\$262,015 for 2019 and \$257,916 for 2018).

**Note 14 - Pension Plan**

Astraea maintains a 401(k) plan covering full time employees who are twenty-one years of age. Employees may make voluntary contributions subject to statutory limits. Astraea's contributions to the plan are made at the discretion of management. For the years ended June 30, 2019 and 2018, the amount of pension expense was \$44,248 and \$34,476, respectively.

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**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2019 AND 2018**

**Note 15 - Commitment and Contingency**

- a - Astraea leases its office space under an operating lease expiring on February 28, 2025. The future minimum lease payments, exclusive of certain escalation costs, are as follows:

<u>Year Ending June 30,</u>	
2020	\$ 202,609
2021	208,688
2022	214,948
2023	221,397
2024	228,039
Thereafter	<u>155,035</u>
Total	<u>\$1,230,716</u>

For financial statement purposes, total rent expense is accounted for on a straight-line basis. Accordingly, the accompanying statement of financial position reflects liability for deferred rent for the excess of the rent expense charged under generally accepted accounting principles over the rent paid pursuant to the lease terms. As of June 30, 2019 and 2018, the amount of deferred rent was \$72,877 and \$65,260, respectively.

- b - Government supported projects and programs are subject to audit by the applicable granting agency.

**Note 16 - Subsequent Event**

In March 2020, the United States declared the global pandemic COVID-19 outbreak a national emergency. As a result, the Organization has deferred critical program activities that reduced revenue. A foundation relief grant in the amount of \$10,000 and loan proceeds of \$617,468 has been received under the Paycheck Protection Program (PPP) under the Coronavirus Aid, Relief, and Economic Security Act (CARE). Management has revised the financial forecast to reduce expenses relative to expected revenue that will enable the Organization to operate for a prolonged period of economic uncertainty and deferred programs. Management continues to evaluate the impact that the economic uncertainty will have on the Organization's operations.