

**THE ASTRAEA LESBIAN FOUNDATION
FOR JUSTICE, INC.**

**INDEPENDENT AUDITORS' REPORT
ON
FINANCIAL STATEMENTS**

AS OF JUNE 30, 2014

AND

**FOR THE YEAR THEN ENDED
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.

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MEMBERS
AMERICAN INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS
NEW YORK STATE SOCIETY OF CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
The Astraea Lesbian Foundation for Justice, Inc.
New York, New York

We have audited the accompanying financial statements of The Astraea Lesbian Foundation for Justice, Inc., which comprise the statement of financial position as of June 30, 2014, and the related statements of activities, functional expenses and cash flows for the year 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 the 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the 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 The Astraea Lesbian Foundation for Justice, Inc. as of June 30, 2014 and the changes in its net assets and its cash flows for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Report on Summarized Comparative Information

We have previously audited The Astraea Lesbian Foundation for Justice, Inc.'s 2013 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 10, 2014. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying pages 18 and 19 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in cursive script that reads "Weisse Lam & Co., P.C.".

New York, New York
February 23, 2015

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)

	Unrestricted	Temporarily Restricted	Permanently Restricted	<u>Total All Funds</u>	
				<u>2014</u>	<u>2013</u>
ASSETS					
Current Assets					
Cash and cash equivalents	\$ 2050,892	\$ 1,083,703		\$ 3,134,595	\$ 2,653,221
Investments - Notes 2 and 3	1,621,597	105,488		1,727,085	1,510,215
Accounts receivable	24,010	1,880		25,890	4,747
Pledges, grants and contributions receivable - Notes 2 and 4	282,980	2,723,776		3,006,756	1,753,987
Prepaid expenses	<u>44,287</u>			<u>44,287</u>	<u>95,541</u>
Total Current Assets	4,023,766	3,914,847		7,938,613	6,017,711
Non-Current Assets					
Investments restricted for endowment - Notes 2 and 3		494,784	\$ 2,958,315	3,453,099	3,161,853
Pledges, grants and contributions receivable - Notes 2 and 4		1,097,333		1,097,333	1,791,882
Fixed assets, at cost, net of accumulated depreciation of \$10,850 and \$6,589 in 2014 and 2013, respectively - Notes 2 and 5	7,253			7,253	4,304
Security deposits	<u>13,868</u>			<u>13,868</u>	<u>12,518</u>
Total Assets	<u>\$ 4,044,887</u>	<u>\$ 5,506,964</u>	<u>\$ 2,958,315</u>	<u>\$ 12,510,166</u>	<u>\$ 10,988,268</u>
LIABILITIES AND NET ASSETS					
LIABILITIES					
Current Liabilities					
Accounts and accrued expenses payable	\$ 388,464			\$ 388,464	\$ 264,018
Grants payable - Notes 2 and 6	2,192,063			2,192,063	1,064,100
Deferred rental income	3,827			3,827	650
Agency funds payable - Note 7	<u>600,008</u>			<u>600,008</u>	<u>515,110</u>
Total Current Liabilities	3,184,362			3,184,362	1,843,878
Non-Current Liabilities					
Grants payable - Notes 2 and 6	208,227			208,227	106,145
Security deposits payable	<u>4,027</u>			<u>4,027</u>	<u>4,238</u>
Total Liabilities	<u>3,396,616</u>			<u>3,396,616</u>	<u>1,954,261</u>
NET ASSETS					
Unrestricted - Operating	648,271			648,271	557,575
Temporarily restricted - Note 10		\$ 5,506,964		5,506,964	5,518,117
Permanently restricted - Note 11			\$ 2,958,315	<u>2,958,315</u>	<u>2,958,315</u>
Total Net Assets	<u>648,271</u>	<u>5,506,964</u>	<u>2,958,315</u>	<u>9,113,550</u>	<u>9,034,007</u>
Total Liabilities and Net Assets	<u>\$ 4,044,887</u>	<u>\$ 5,506,964</u>	<u>\$ 2,958,315</u>	<u>\$ 12,510,166</u>	<u>\$ 10,988,268</u>

See accompanying notes to financial statements.

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total All Funds</u>	
				<u>2014</u>	<u>2013</u>
<u>SUPPORT AND REVENUE</u>					
Grants and contributions -					
Notes 2 and 8	\$ 883,366	\$ 4,353,491		\$ 5,236,857	\$ 4,148,588
Administrative fees - Note 7	61,090			61,090	79,266
Rental income	50,426			50,426	52,777
Net investment income - Note 3	23,468	567,638		591,106	356,134
Foreign currency translation gains					
Note 4		74,831		74,831	55,726
In-kind contributions - Notes 2 and 12		230,061		230,061	170,926
Miscellaneous income	<u>5,422</u>			<u>5,422</u>	<u>10,117</u>
Total Support and Revenue	1,023,772	5,226,021		6,249,793	4,873,534
Net Assets released from restrictions -					
Note 9	<u>5,237,174</u>	<u>(5,237,174)</u>		<u>-</u>	<u>-</u>
Total Support and Revenue	<u>6,260,946</u>	<u>(11,153)</u>		<u>6,249,793</u>	<u>4,873,534</u>
<u>EXPENSES</u>					
Program Services	<u>5,415,236</u>			<u>5,415,236</u>	<u>3,094,615</u>
Supporting Services					
Administrative and general	277,071			277,071	431,125
Fund raising	<u>477,943</u>			<u>477,943</u>	<u>398,031</u>
Total Supporting Services	<u>755,014</u>			<u>755,014</u>	<u>829,156</u>
Total Expenses	<u>6,170,250</u>			<u>6,170,250</u>	<u>3,923,771</u>
Changes in Net Assets	90,696	(11,153)		79,543	949,763
Net Assets at beginning of year	<u>557,575</u>	<u>5,518,117</u>	<u>\$ 2,958,315</u>	<u>9,034,007</u>	<u>8,084,244</u>
Net Assets at end of year	<u>\$ 648,271</u>	<u>\$ 5,506,964</u>	<u>\$ 2,958,315</u>	<u>\$ 9,113,550</u>	<u>\$ 9,034,007</u>

See accompanying notes to financial statements.

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)

	Program Services	Supporting Services		Total Program and Supporting Services	
		Administrative and General	Fund Raising	2014	2013
Salaries	\$ 781,263	\$ 102,768	\$ 163,277	\$ 1,047,308	\$ 993,538
Payroll taxes and employee benefits	204,844	15,221	24,183	244,248	211,513
Total Payroll and related expenses	986,107	117,989	187,460	1,291,556	1,205,051
Grants	3,205,677			3,205,677	1,600,389
Event expenses	1,065		12,272	13,337	26,191
Mailing	2,298		2,298	4,596	3,686
Printing and copying	18,044	243	2,900	21,187	32,021
Publicity and advertising	200		50	250	854
Travel and meetings	127,904	2,267	34,275	164,446	162,910
Professional and consulting fees	618,806	85,215	197,053	901,074	347,228
Office supplies and expenses	22,546	1,375	3,461	27,382	27,010
Equipment rental and maintenance	22,946	610	6,118	29,674	40,348
Dues, fees and subscriptions	1,667	143	462	2,272	1,725
Insurance	7,123	415	809	8,347	8,084
Telephone and telecommunications	23,904	1,363	2,166	27,433	21,198
Postage and delivery	1,298	299	860	2,457	5,351
Occupancy	117,400	55,976	8,817	182,193	175,439
Repairs and maintenance	16,327	938	1,489	18,754	28,372
Community relations	500		1,550	2,050	2,961
Staff development and recruitment	1,556	2,041	356	3,953	20,665
Collection loss		614		614	20,000
Bank and credit card charges	4,565	386	13,761	18,712	9,179
In-kind program costs - Note 12	230,061			230,061	170,926
Miscellaneous	2,063	6,779	1,122	9,964	9,763
Total Expenses before depreciation	5,412,057	276,653	477,279	6,165,989	3,919,351
Depreciation	3,179	418	664	4,261	4,420
Total Expenses 2014	\$ 5,415,236	\$ 277,071	\$ 477,943	\$ 6,170,250	
Total Expenses 2013	\$ 3,094,615	\$ 431,125	\$ 398,031		\$ 3,923,771

See accompanying notes to financial statements.

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)

	2014	2013
Cash Flows from Operating Activities		
Changes in Net Assets	\$ 79,543	\$ 949,763
Adjustments to reconcile changes in Net Assets to net cash provided by operating activities:		
Depreciation	4,261	4,420
Net realized gains on investment transactions	(175,100)	(185,609)
Net unrealized gains on investments	(300,301)	(52,997)
Changes in assets and liabilities:		
(Increase)/decrease in accounts receivable	(21,143)	1,964
Increase in pledges, grants and contributions receivable	(558,220)	(324,739)
(Increase)/decrease in prepaid expenses	51,254	(54,675)
Increase in security deposits	(1,350)	-
Increase in accounts and accrued expenses payable	124,446	88,847
Increase in grants payable	1,230,045	122,329
Decrease in security deposits payable	(211)	(224)
Increase/(decrease) in deferred rental income	3,177	(2,850)
Increase/(decrease) in agency funds payable	84,898	(344,802)
	<u>521,299</u>	<u>201,427</u>
Net Cash Provided by Operating Activities		
<u>Cash Flows from Investing Activities</u>		
Acquisition of fixed assets	(7,210)	-
Purchase of investments	(3,106,941)	(1,959,953)
Proceeds from sale of investments	3,074,226	1,699,741
	<u>(39,925)</u>	<u>(260,212)</u>
Net Cash Used in Investing Activities		
Net Increase/(Decrease) in Cash and cash equivalents	481,374	(58,785)
Cash and cash equivalents at beginning of year	<u>2,653,221</u>	<u>2,712,006</u>
Cash and cash equivalents at end of year	<u>\$ 3,134,595</u>	<u>\$ 2,653,221</u>
 <u>Supplemental disclosures of cash flow information:</u>		
Gifts of securities	<u>\$ 1,165,885</u>	<u>\$ 1,093,939</u>

See accompanying notes to financial statements.

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 1 ORGANIZATION

The Astraea Lesbian Foundation for Justice, Inc. (“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; expand 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

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

Support

Unconditional promises to give are recorded as received. Unconditional promises to give due in the next year are reflected as current promises to give and are recorded at their net realizable value. Unconditional promises to give due in subsequent years are reflected as long-term promises to give and are recorded at the present value of their net realizable value, using risk-adjusted interest rates applicable to the years in which the promises are received to discount the amounts.

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. 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 activities as net assets released from restrictions.

Endowment contributions and investments are permanently restricted by donor. Unappropriated investment earnings available for operations are recorded in temporarily restricted net assets. Investment earnings with donor restrictions are recorded in temporarily or permanently restricted net assets based on the nature of the restrictions.

(Continue)

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Allowance for Doubtful Accounts

Astraea provides an allowance for doubtful accounts for accounts which are specifically identified by management as to their uncertainty in regards to collectibility.

Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in checking and money market accounts and certificates of deposit with original maturities of less than 90 days. Astraea's cash balances were deposited in several financial institutions. Management believes that Astraea is not exposed to any significant credit risk on cash and cash equivalents.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are measured at fair value in the statement of financial position. The basis of determining the fair value of investments is the readily determinable sales price of the investments based on prices or quotations from over-the-counter markets.

Investment income or loss (including gains and losses on investments, interest and dividends) is included in the statement of activities. Realized and unrealized gains and losses allocated to the unrestricted, temporarily and permanently restricted net assets are recognized as incurred. They are recorded in the Statement of Activities as income or loss in accordance with donors restrictions.

Endowment investments are classified as non-current regardless of maturity date due to restrictions limiting Astraea's ability to use these investments.

Fixed Assets

Astraea capitalizes all significant expenditures for furniture and equipment. These assets are recorded at cost. Depreciation of furniture and equipment are provided for on a straight-line basis over the estimated useful lives of the assets.

Financial Statement Presentation

The classification of an organization's net assets and its support, revenue and expenses is based on the existence or absence of donor-imposed restrictions. It requires that the amounts for each of the three classes of net assets, permanently restricted, temporarily restricted and unrestricted, be displayed in a statement of financial position and that the amounts of change in each of those classes of net assets be displayed in a statement of activities. The classes of net assets are defined as follows:

Permanently Restricted - Net assets resulting from contributions and other inflows of assets whose use by Astraea is limited by donor-imposed stipulations that can only be removed by actions of Astraea's governing body in accordance with the New York Prudent Management of Institutional Funds Act.

(Continue)

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

Temporarily Restricted - Net assets resulting from contributions and other inflows of assets whose use by Astraea is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of Astraea pursuant to those stipulations. When such stipulations end or are fulfilled, such temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities.

Unrestricted - The part of net assets that is neither permanently nor temporarily restricted by donor-imposed stipulations.

Program Revenue

Program revenue is recognized as income when earned.

Non-Cash 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.

Grant Expenses

Contributions made and unconditional promises to give are recognized as expenses in the period made at their fair value.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at June 30, 2014 and the reported amounts of revenues and expenses during the year then ended. Actual results could differ from these estimates.

Income Taxes

Astraea is exempt from income taxes under Section 501(c)3 of the Internal Revenue Code and similar provisions of the State Code.

Accounting for Uncertainty in Income Taxes

Astraea adopted *Financial Accounting Standards Board* ("FASB") guidance on uncertain income tax positions in its financial statements. Astraea recognizes the effect of tax positions only when they are more likely than not of being sustained. Management is not aware of any violation of its tax status as an organization exempt from income taxes.

Comparative Financial Information

These financial statements include certain prior year summarized information presented for comparative purposes and is not intended to be a complete financial statement presentation. Accordingly, such information should be read in conjunction with Astraea's financial statements for the year ended June 30, 2013 from which the summarized information was derived.

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 3 INVESTMENTS

Investments are stated at fair value and consist of the following:

	<u>Cost</u>	<u>Fair Value</u>	<u>Unrealized Appreciation/ (Depreciation)</u>
Equity securities	\$ 1,552,666	\$ 2,031,011	\$ 478,345
Certificates of deposit	100,000	100,000	-
Mutual funds	2,594,437	2,794,775	200,338
Government and corporate bonds	109,562	121,063	11,501
Other	<u>136,047</u>	<u>133,335</u>	<u>(2,712)</u>
Total	<u>\$ 4,492,712</u>	<u>\$ 5,180,184</u>	<u>\$ 687,472</u>
Investments restricted for endowment		<u>3,453,099</u>	
Investments		<u>\$ 1,727,085</u>	

The investment returns consist of the following:

Interests and dividends	\$ 151,366
Net realized gains on investment transactions	175,100
Net unrealized gains on investments	300,301
Investment fees	<u>(35,661)</u>
Net investment gain	<u>\$ 591,106</u>

NOTE 4 PROMISES TO GIVE

Unconditional promises to give as of June 30, 2014 are as follows:

Receivable in less than one year	\$ 3,006,756
Receivable in one to five years	1,140,549
Receivable in six to ten years	<u>2,000</u>
Total unconditional promises to give	4,149,305
Less: net present value discount	<u>45,216</u>
Net unconditional promises to give	<u>\$ 4,104,089</u>

Long-term promises to give are recognized at fair value, using present value techniques and a discount rate of 1.62%.

Pledges, grants and contributions receivable include foreign pledges receivable of \$1 million Euros, which was translated at the exchange rate in effect as of June 30, 2014. Gains of \$74,831 from foreign currency translation for the year was included in the statement of activities.

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 5 FIXED ASSETS

As of June 30, 2014, the costs and accumulated depreciation were as follows:

Computer equipment and software	\$ 18,103
Less: accumulated depreciation	<u>10,850</u>
Net	<u><u>\$ 7,253</u></u>

Fully depreciated fixed assets of \$5,501 have been disposed of during the year.

NOTE 6 GRANTS PAYABLE

The liability for grants as of June 30, 2014 is payable as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2015	\$ 2,192,063
2016	180,000
2017	<u>30,000</u>
Total grants payable	2,402,063
Less: net present value discount	<u>1,773</u>
Net grants payable	<u><u>\$ 2,400,290</u></u>

Long-term promises to give are recognized at fair value, using present value techniques and are discounted using the two year U.S. Treasury Note's rate of 0.47% as of June 30, 2014.

NOTE 7 AGENCY FUNDS

Astraea is the fiscal sponsor of The Pipeline Project and Global Action for Transgender Equality ("GATE"). Astraea charges an administrative fee of 10% of the sponsored project's annual operating expenses and 5% for grant expenses. The net assets for these sponsored projects as of June 30, 2014 are reflected in the accompanying financial statements as agency funds payable. For the year ended June 30, 2014, total fees paid to Astraea was \$61,090.

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 8 GRANTS AND CONTRIBUTIONS

In September 2012, Astraea was awarded by the U.S. Agency for International Development (“USAID”) a \$3.5 million grant to support a three-year program entitled Global LGBTI Human Rights Partnership (the “Partnership Program”). The funding amount from USAID was later increased to \$3.9 million in September 2014. The grant from USAID was for the period from September 11, 2012 to September 10, 2015. Astraea, with its partners, will leverage new funds to match the USAID funding for the Partnership program. The goal of the Partnership Program is to increase human rights, accountability and protection to LGBTI individuals worldwide.

The Partnership Program will fund three critical and 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) expanding philanthropic resources available to LGBTI organizations internationally, and 3) shift discriminatory attitudes and behaviors through media and communications work.

For the year ended June 30, 2014, program costs totaling \$1,094,544 was funded by USAID and was included in grants and contributions.

NOTE 9 NET ASSETS RELEASED FROM RESTRICTIONS

The amounts released from donor restrictions during the year ended June 30, 2014 are as follows:

Satisfaction of purpose restrictions:	
Donor Advised funds	\$ 205,341
Global LGBTI Human Rights Partnership	1,324,604
Global Philanthropy Project	149,765
Grants and Grantmaking expenses	869,531
International Fund for Sexual Minorities	363,138
Racial Justice Collaborative Fund	1,093,712
Social Change Opportunity Fund	908,392
South Africa Donor Tour	158,680
Travel	15,884
Appropriated endowment earnings	<u>101,077</u>
	5,190,124
Satisfaction of time restrictions:	
General support designated for 2014	<u>47,050</u>
Total	<u>\$ 5,237,174</u>

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 10 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets as of June 30, 2014 are available for the following:

Donor Advised funds	\$ 348,259
Endowment Campaign operations	9,765
Global Art Fund	29,719
Global Philanthropy Project	352,584
Grants and Grantmaking expenses	1,152,210
International Fund for Sexual Minorities	1,597,017
International Human Rights	50,000
Intersex Fund	50,000
Philanthropic Advocacy	500,000
Racial Justice Collaborative Fund	301,903
Social Change Opportunity Fund	282,508
South Africa Donor Tour	5,000
UHAI: East African Sexual Health & Rights Initiative	181,700
Travel	34,116
General support designated for future periods	117,399
Unappropriated endowment earnings	<u>494,784</u>
Total	<u>\$ 5,506,964</u>

NOTE 11 ENDOWMENT NET ASSETS

Astraea's endowment consist of several individual funds established for a variety of purposes. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of Astraea may appropriate for expenditures or accumulate so much of an endowment fund as Astraea determines as prudent for the uses, benefits, purposes and duration for which the fund was established, subject to the intent of the donor as expressed in the gift instrument. Unless stated otherwise in the gift instrument, the assets in an endowment fund shall be donor-restricted assets until appropriated for expenditures by the board of directors. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditures in a manner consistent with the standard of prudence prescribed by the New York Prudent Management of Institutional Funds Act (NYPMIFA).

(Continue)

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 11 ENDOWMENT NET ASSETS - (Continued)

Changes in endowment net assets for the fiscal year ended June 30, 2014 are as follows:

	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Endowment Net Assets as of June 30, 2013	\$ 203,538	\$ 2,958,315	\$ 3,161,853
Net investment gains	392,323		392,323
Appropriated earnings	(101,077)		(101,077)
Endowment Net Assets as of June 30, 2014	<u>\$ 494,784</u>	<u>\$ 2,958,315</u>	<u>\$ 3,453,099</u>

NOTE 12 IN-KIND CONTRIBUTIONS

In-kind contributions received during the year represents donated program costs of \$230,061 for the Global LGBTI Human Rights Partnership.

NOTE 13 PENSION PLAN

Astraea maintains a 401(k) plan covering full time employees who are 21 years of age. Employees may contribute to the plan an amount ranging from 0% - 96% of their compensation. Astraea's contributions to the plan are at the discretion of Astraea's management. For the year ended June 30, 2014, the amount of pension expenses was \$13,080.

NOTE 14 FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing Astraea's services have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefitted.

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 15 COMMITMENTS

a) Lease agreement

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>		
2015	\$	155,156
2016		180,016
2017		185,416
2018		190,979
2019		196,708
Subsequent to 2019		<u>1,230,716</u>
Total		<u>\$ 2,138,991</u>

b) Sublease agreements

Astraea sublets subdivided space under various operating leases expiring on June 30, 2015. Minimum future rentals to be received on the subleases is \$28,190.

NOTE 16 FAIR VALUE OF FINANCIAL INSTRUMENTS

Astraea follows FASB guidance on *Fair Value Measurements and Disclosures*, which defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. As defined in FASB *Accounting Standards Codification* (“ASC”) 820, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date (exit price).

Astraea utilizes market data or assumptions that market participants would use in pricing the asset or liability, including assumptions about risk and the risks inherent in the inputs to the valuation technique. Astraea’s assessment of the significance of a particular input to the fair value measurements requires judgment and may affect the valuation of fair value of assets and liabilities and their placement within the fair value hierarchy levels.

FASB ASC 820 establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value, maximizes the use of observable inputs, and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available.

(Continue)

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 16 FAIR VALUE OF FINANCIAL INSTRUMENTS - (Continued)

The three levels of fair value hierarchy are as follows:

- Level 1: Unadjusted quoted prices in active markets for identical assets and liabilities.
- Level 2: Observable inputs other than those included in Level 1, such as quoted market prices for similar assets or liabilities in active markets or quoted market prices for identical assets and liabilities in inactive markets.
- Level 3: Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

The following methods and assumptions were used by Astraea in estimating its fair value disclosures for financial instruments:

- Cash and cash equivalents and short-term unconditional promises to give: The carrying amounts reported in the statement of financial position approximate fair values because of the short maturities of those instruments.
- Investments: The fair values of investments are based on quoted market prices for those or similar investments.
- Long-term unconditional promises to give: The fair value of promises to give that are due in more than one year is estimated by discounting expected future cash flows using various discount rates as of June 30, 2014.

The estimated fair values of Astraea's financial instruments are as follows:

	<u>Carrying Amount</u>	<u>Fair Value</u>
Financial Assets:		
Cash and cash equivalents	\$ 3,143,395	\$ 3,143,395
Investments	1,727,085	1,727,085
Investments restricted for endowment	3,453,099	3,453,099
Pledges, grants and contributions receivable - Unconditional promises to give	4,104,089	4,104,089
Financial Liabilities:		
Grants payable - Unconditional promises to give	2,400,290	2,400,290

(Continue)

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2014

NOTE 16 FAIR VALUE OF FINANCIAL INSTRUMENTS - (Continued)

Fair Value Measurements at Reporting Date Using

	<u>Fair Value</u>	Quoted Prices In Active Markets for Identical Assets <u>(Level 1)</u>	Other Observable Inputs <u>(Level 2)</u>
Investments and investments restricted for permanent endowment	\$ 5,180,184	\$ 5,080,184	\$ 100,000

NOTE 17 SUBSEQUENT EVENTS

Astraea evaluated subsequent events through February 23, 2015, which is the date the financial statements were available to be issued. No subsequent events were identified that required adjustment to or disclosure within the financial statements.

THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
STATEMENT OF ACTIVITIES OF AFFILIATE PROJECT
THE PIPELINE PROJECT
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)

	<u>2014</u>	<u>2013</u>
Support and Revenue		
Foundation grants	\$ 326,182	\$ 389,806
Total Support and Revenue	<u>326,182</u>	<u>389,806</u>
Expenses		
Salaries	120,000	108,739
Payroll taxes and fringe benefits	19,660	17,028
Grants	41,858	
Professional and consultant fees	129,152	228,442
Travel	47,385	114,777
Meetings and conferences	67,867	330
Videography		368
Website expenses		2,201
Administrative fees - Note 7	42,592	47,199
Bank charges		<u>100</u>
Total Expenses	<u>468,514</u>	<u>519,184</u>
Change in Net Assets	(142,332)	(129,378)
Net Assets at beginning of year	<u>352,640</u>	<u>482,018</u>
Net Assets at end of year	<u>\$ 210,308</u>	<u>\$ 352,640</u>

**THE ASTRAEA LESBIAN FOUNDATION FOR JUSTICE, INC.
STATEMENT OF ACTIVITIES OF AFFILIATE PROJECT
GLOBAL ACTION FOR TRANSGENDER EQUALITY ("GATE")
FOR THE YEAR ENDED JUNE 30, 2014
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2013)**

	<u>2014</u>	<u>2013</u>
Support and Revenue		
Grants and contributions	\$ 450,040	\$ 137,320
Total Support and Revenue	<u>450,040</u>	<u>137,320</u>
Expenses		
Salaries	109,727	104,324
Payroll taxes and fringe benefits	20,333	13,630
Grants	27,621	
Publicity and advertising		211
Occupancy	15,434	11,648
Office supplies and expenses	62	4,839
Membership dues		180
Printing and copying		79
Postage	368	471
Travel	13,758	106,060
Meetings and conferences	2,315	8,676
Professional and consulting fees	12,269	62,987
Telephone and communications	1,028	3,142
Staff development	574	2,550
Administrative fees	18,498	32,067
Bank charges	90	1,699
Miscellaneous expense	734	181
Total Expenses	<u>222,811</u>	<u>352,744</u>
Change in Net Assets	227,229	(215,424)
Net Assets at beginning of year	<u>162,470</u>	<u>377,894</u>
Net Assets at end of year	<u>\$ 389,699</u>	<u>\$ 162,470</u>