EQUALITY CALIFORNIA

FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2017 AND 2016

CONTENTS

Rossi LLP rossillp.com
Certified Public Accountants
Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Equality California
Los Angeles, California

We have audited the accompanying financial statements of Equality California (a nonprofit organization), 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.

Auditor's Responsibility

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

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

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

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INDEPENDENT AUDITOR'S REPORT

(continued)

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Equality California 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.

Rossi LLP

Long Beach, California
September 29, 2018

EQUALITY CALIFORNIA
STATEMENTS OF FINANCIAL POSITION

As of December 31,	2017	2016
ASSETS		
Current assets:		
Cash and cash equivalents	$ 90,911	$ 73,980
Pledges receivable	6,875	2,500
Due from Equality California Institute	582,447	627,451
Prepaid expenses and other current assets	70,250	24,740
Total current assets	750,483	728,671
Long-term assets:		
Property and equipment, net	55,693	7,515
Total assets	$ 806,176	$ 736,186
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 44,849	$ 42,101
Accrued expenses and other current liabilities	47,621	44,062
Total current liabilities	92,470	86,163
Net assets:		
Unrestricted	671,877	609,559
Temporarily restricted	41,829	40,464
Total net assets	713,706	650,023
Total liabilities and net assets	$ 806,176	$ 736,186

The accompanying notes are an integral part of these financial statements

EQUALITY CALIFORNIA
STATEMENTS OF ACTIVITIES

For the year ended December 31, 2017

	Unrestricted	Temporarily restricted	Total
Public support and revenue:			
Public support:			
Foundation contributions	$ -	$ 150,000	$ 150,000
Individual and other contributions	474,200	-	474,200
Grants from Equality California Institute	245,000	-	245,000
In-kind donations	1,012,645	110,888	1,123,533
Special events, net of $687,467 of direct costs	666,863	-	666,863
Total public support	2,398,708	260,888	2,659,596
Net assets released from restriction:			
Satisfaction of purpose / time restrictions	259,523	(259,523)	-
Total public support and revenue	2,658,231	1,365	2,659,596
Expenses:			
Program services	1,998,170	-	1,998,170
Management and general	232,193	-	232,193
Fundraising	365,550	-	365,550
Total expenses	2,595,913	-	2,595,913
Change in net assets	62,318	1,365	63,683
Net assets, beginning of year	609,559	40,464	650,023
Net assets, end of year	$ 671,877	$ 41,829	$ 713,706

The accompanying notes are an integral part of these financial statements

For the year ended December 31, 2016

	Unrestricted	Temporarily restricted	Total
Public support and revenue:			
Public support:			
Individual and other contributions	$ 233,266	$ 135,000	$ 368,266
Grants from Equality California Institute	255,000	-	255,000
In-kind donations	167,360	54,720	222,080
Special events, net of $410,455 of direct costs	500,611	-	500,611
Total public support	1,156,237	189,720	1,345,957
Net assets released from restriction:			
Satisfaction of purpose / time restrictions	180,246	(180,246)	-
Total public support and revenue	1,336,483	9,474	1,345,957
Expenses:			
Program services	686,823	-	686,823
Management and general	233,797	-	233,797
Fundraising	303,798	-	303,798
Total expenses	1,224,418	-	1,224,418
Change in net assets	112,065	9,474	121,539
Net assets, beginning of year	497,494	30,990	528,484
Net assets, end of year	$ 609,559	$ 40,464	$ 650,023

The accompanying notes are an integral part of these financial statements

EQUALITY CALIFORNIA
STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended December 31,	2017				2016			
	Program services	Management and general	Fundraising	Total expenses	Program services	Management and general	Fundraising	Total expenses
Salaries	$ 557,136	$ 108,432	$ 200,442	$ 866,010	$ 179,340	$ 117,958	$ 183,691	$ 480,989
Legal	830,351	6,018	-	836,369	85,000	-	-	85,000
Professional and outside services	322,885	8,818	44,476	376,179	178,429	10,437	4,116	192,982
Rent - building and equipment	55,277	6,038	22,804	84,119	11,678	5,944	15,024	32,646
Payroll taxes	43,976	13,680	20,661	78,317	13,797	11,207	19,152	44,156
Office expenses and supplies	39,854	13,233	17,236	70,323	7,421	14,678	7,999	30,098
Travel and entertainment	39,134	2,321	27,328	68,783	24,136	9,536	31,130	64,802
Employee benefits	29,627	10,555	12,578	52,760	11,735	5,759	15,063	32,557
Bank charges and merchant fees	16,842	5,715	7,306	29,863	4,994	4,180	5,928	15,102
Printing and production	18,245	1,126	4,770	24,141	120,759	70	8,986	129,815
Communications	23,791	205	-	23,996	21,569	-	-	21,569
Accounting and audit	-	23,122	-	23,122	-	32,159	-	32,159
Recruitment and training	3,269	12,473	1,338	17,080	1,135	2,212	858	4,205
Insurance	7,192	767	3,222	11,181	3,003	-	5,172	8,175
Dues and subscriptions	6,822	1,080	1,632	9,534	2,217	1,336	2,322	5,875
Depreciation and amortization	-	8,842	-	8,842	-	2,415	-	2,415
Taxes and licenses	-	8,435	-	8,435	-	10,646	425	11,071
Postage and shipping	1,626	858	777	3,261	9,572	505	743	10,820
Repairs and maintenance	1,375	475	664	2,514	563	575	1,389	2,527
Conferences and meetings	556	-	-	556	1,685	-	-	1,685
Miscellaneous	212	-	316	528	-	3,774	1,800	5,574
Polling and research	-	-	-	-	9,790	-	-	9,790
Interest expense	-	-	-	-	-	406	-	406
Total expenses	$ 1,998,170	$ 232,193	$ 365,550	$ 2,595,913	$ 686,823	$ 233,797	$ 303,798	$ 1,224,418

The accompanying notes are an integral part of these financial statements

EQUALITY CALIFORNIA
STATEMENTS OF CASH FLOWS

For the years ended December 31,	**2017**	**2016**
Cash flows from operating activities:		
Changes in net assets	$ 63,683	$ 121,539
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation expense	8,842	2,415
Donated property and equipment	(11,768)	-
(Increase) decrease in assets:		
Pledges receivable	(4,375)	14,951
Due from Equality California Institute	45,004	(108,016)
Prepaid expenses and other current assets	(45,510)	150
Increase (decrease) in liabilities:		
Accounts payable	2,748	(492)
Accrued expenses and other current liabilities	3,559	17,663
Net cash provided by operating activities	62,183	48,210
Cash flows from investing activities:		
Acquisition of property and equipment	(45,252)	-
Net cash used in investing activities	(45,252)	-
Cash flows from financing activities:		
Payments on capital lease obligation	-	(5,942)
Net cash used in financing activities	-	(5,942)
Net increase in cash and cash equivalents	16,931	42,268
Cash and cash equivalents, beginning of year	73,980	31,712
Cash and cash equivalents, end of year	$ 90,911	$ 73,980
Supplemental cash flow information:		
Recognition of in-kind contributions and related assets and expenses	$ 1,123,533	$ 222,080

The accompanying notes are an integral part of these financial statements

For the years ended December 31, 2017 and 2016

NOTE 1

NATURE OF ORGANIZATION AND ACTIVITIES

Equality California is the nation's largest statewide lesbian, gay, bisexual, transgender and queer civil rights organization. Equality California brings the voices of LGBTQ people and allies to institutions of power in California and across the United States, striving to create a world that is healthy, just, and fully equal for all LGBTQ people. Equality California advances civil rights and social justice by inspiring, advocating, and mobilizing through an inclusive movement that works tirelessly on behalf of those it serves.

Equality California is made up of Equality California (the "Organization") and the Equality California Institute (the "Institute"). The Organization is an I.R.C. 501(c)(4) organization that utilizes electoral, advocacy, and mobilization programs to achieve its mission. The Institute is an I.R.C. 501 (c)(3) organization that utilizes advocacy, education, and mobilization programs to achieve its mission. The Organization and the Institute share a common mission and executive director but have separate governing boards.

Since 2000, Equality California has had an extensive legislative program in the California Legislature that has helped to win passage of more than 133 laws that improve the lives of LGBTQ people. Equality California's legislative work has helped give California the most comprehensive LGBTQ civil rights protections of any state in the nation. The Organization has sponsored legislation to end "panic" defenses in court, where a victim's sexual orientation or gender identity was used to justify violence, mandated LGBTQ cultural competency training for healthcare providers and teachers and law enforcement, required that death certificates and state identification documents for transgender Californians accurately reflect their authentic identities, required that the language of California's marriage documents be updated to make sure they respect and include same-sex couples, modernized birth certificates to accurately reflect LGBT parents, and more. The Organization also engages in governmental budget advocacy at the state and local level to make sure that government resources reach LGBTQ people in need.

Equality California has offices in Los Angeles, Sacramento, Orange County, the Bay Area and Washington, DC. Equality California is exempt from federal and California income taxes under the provisions of Section 501(c)(4) of the Internal Revenue Code and Section 23701(f) of the California Revenue and Taxation Code

NOTE 2

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting:

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Equality California follows the provisions of the Financial Accounting Standards Board ('FASB") in its Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities*. Under these provisions, net assets, public support and revenue and expenses are classified based on the existence or absence of donor-imposed restrictions.

The Organization reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. The classification of assets is based on the

NOTE 2 – CONTINUED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

existence or absence of donor imposed restrictions, and the statement of activities reflects the changes in the classification of net assets.

Unrestricted: Those net assets and activities which represent the portion of expendable funds available to support operations. A portion of these net assets may be designated by the Board of Directors for specific purposes.

Temporarily restricted: Those net assets and activities which are donor-restricted for: (a) support of specific operating activities; (b) investment for a specified term; (c) use in a specified future period; or (d) acquisition of long-lived assets.

Permanently restricted: Those net assets and activities which are permanently donor-restricted for holdings of: (a) assets donated with stipulations that they be preserved and not be sold; or (b) assets donated with stipulations that they be invested to provide a permanent source of income. Equality California has no permanently restricted net assets as of December 31, 2017 or 2016.

In preparing these financial statements, the Organization evaluated the period from January 1, 2018 through September 29, 2018, the date the financial statements were available for issuance, for subsequent events requiring recognition and or disclosure in the accompanying financial statements.

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 the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of support and revenue and expenses during the reporting period. Actual results could differ from those estimates.

Revenue and support recognition:

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a 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 restriction.

Cash and cash equivalents:

Cash and cash equivalents consist primarily of cash and money market funds. Management considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash and cash equivalents.

Fair value of financial instruments:

The carrying amount of cash and cash equivalents, pledges receivable, prepaid expenses and other current assets, amounts due to or from related parties, accounts payable and accrued expenses and other current liabilities are stated at fair value which approximates historical cost.

NOTE 2 – CONTINUED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Property and equipment:

Property and equipment acquired is recorded at cost. Donated property and equipment is recorded at estimated fair market value at the date of donation. Property and equipment, which is donated or acquired with resources restricted for such acquisition, are considered to be unrestricted when placed into service. Depreciation and amortization is recorded using the straight-line method over the assets' estimated useful lives ranging from five to seven years.

Contributed goods and services:

Contributions of goods are recognized at fair value when received. During the years ended December 31, 2017 and 2016 the values of contributed goods included as in-kind donations which was related to special events in the accompanying financial statements were $122,656 and $54,720, respectively.

Contributions of services are recognized at fair value when received if such services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not donated. During the years ended December 31, 2017 and 2016, the values of contributed services included as in-kind donations in the accompanying financial statements were $1,000,877 and $167,360, respectively. The in-kind services consisted primarily of legal services and rebranding support.

Functional allocation of expenses:

The costs of providing the various program services and other activities of Equality California are shown on the statement of functional expenses. Expenses that can be identified with a specific activity are allocated directly according to their functional benefit. Personnel related expense allocations are based on the staff time spent on each function. Expenses that cannot be directly identified with a specific function are allocated among program services and the other activities benefited. Certain costs such as occupancy, office and other expenses are allocated among the program services and other activities benefited based on full time equivalents.

Concentration of credit risk:

Cash and cash equivalents are financial instruments which potentially subject Equality California to a concentration of credit risk. Equality California maintains its cash and cash equivalents at one financial institution. The balances in these accounts may at times exceed federally insured limits. Equality California has not experienced any losses in these accounts and believes it is not exposed to any significant credit risk with respect to these accounts.

Advertising expenses:

Equality California incurred non-direct response advertising costs that were expensed during the years ended December 31, 2017 and 2016. The total advertising costs of $23,996 and $31,359, respectively, were charged to program expenses as they directly promote programs and education events provided to the community they serve.

NOTE 2 – CONTINUED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income taxes:

The Organization follows the provisions of FASB ASC 740-10, *Income Taxes* and subsections. Accordingly, the Organization accounts for uncertain tax positions by recording a liability for unrecognized tax benefits resulting from uncertain tax positions taken, or expected to be taken, in its tax returns. The Organization recognizes the effect of income tax positions only if those positions are more likely than not of being sustained by the appropriate taxing authorities. The Organization does not believe that its financial statements include any uncertain tax positions and accordingly, has not recognized any liability for unrecognized tax benefits in the accompanying financial statements.

New accounting standards not yet adopted:

Accounting for leases

In February of 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases (Topic 842).* ASU 2016-02 was issued to improve financial reporting about leasing transactions. The ASU affects all organizations that lease assets such as real estate and equipment. Under the new guidance, a lessee will be required to recognize assets and liabilities for leases with lease terms of more than 12 months. Consistent with Generally Accepted Accounting Principles ("GAAP"), the recognition, measurement, and presentation of expenses and cashflows arising from a lease by a lessee primarily will depend on its classification as a finance or operating lease. However, unlike current GAAP, which requires only capital leases to be recognized on the statement of financial position, the new ASU will require both types of leases to be recognized on the statement of financial position. ASU 2016-02 will take effect for fiscal years beginning after December 15, 2019 with early adoption permitted. Management of the Organization is currently evaluating the impact of the pending adoption of ASU 2016-02 on its financial statements.

Accounting for net assets classifications

In August of 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. ASU 2016-14 was issued to improve the current net asset classification requirements and the information presented in the financial statements and notes thereto about a not-for-profit entity's liquidity, financial performance, and cash flows. Additionally, the amendments in ASU 2016-14 among other matters, reduce the current three classes of net assets (unrestricted, temporarily restricted, and permanently restricted) to two classes of net assets (net assets with donor restrictions and net assets without donor restrictions). The amendments in ASU 2016-14 are effective for the fiscal years beginning after December 15, 2017 with early adoption permitted and should be applied on a retrospective basis to all periods presented.

Management of the Organization is currently evaluating the impact of the pending adoption of ASU 2016-14 on its financial statements.

Clarifying the scope and the accounting guidance for contributions received and contributions made

In June of 2018, the FASB issue ASU 2018-08, *Not-for-Profit Entities (Topic 958).* ASU 2018-08 clarifies and improves the scope and accounting guidance for contributions received and made.

For the years ended December 31, 2017 and 2016

NOTE 2 – CONTINUED

SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Accounting for net assets classifications - continued

ASU 2018-08 updates current guidance about whether a transfer of assets or the reduction, settlement, or cancellation of liabilities should be accounted for as a contribution or an exchange transaction. Specifically, ASU 2018-08 established criteria for determining whether the asset provider is receiving commensurate value in return for these transactions. That determination then dictates whether the Organization will follow contributions guidance which is Topic 958, *Not-for-Profit Entities* or exchange transaction guidance found in the revenue recognition and other applicable standards such as Topic 605, *Revenue from Contracts with Customers.*

ASU 2018-08 also provides an enhanced framework for determining whether a contribution is conditional or unconditional, and for distinguishing a donor-imposed condition from a donor-imposed restriction. Such classification affects the timing of contribution revenue and expense recognition.

ASU 2018-08 should be applied on a modified prospective prospective basis. Retrospective application is permitted. Under a modified prospective basis, in the first set of financial statements following the effective date, the amendments should be applied to agreements that are either:

- Not completed as of the effective date
- Entered into after the effective date

A completed agreement is an agreement for which all the revenue (of a recipient) or expense (of a resource provider) has been recognized before the effective date in accordance with current guidance (for example, Topic 605 - *Revenue Recognition,* Topic 958 - *Not-for-Profit Entities*).

This is applicable only to the portion of revenue or expense that has not yet been recognized before the effective date in accordance with current guidance.

No prior-period results should be restated and no cumulative-effect adjustments to the opening balance of net assets at the beginning of the year of adoption will be made upon addition of this standard. The entity is required to disclose both:

- The nature of and reason for the accounting change;
- An explanation of the reasons for significant changes in each financial statement line item in the current annual or interim period resulting from applying the amendments instead of the previous guidance.

A not-for-profit organization that has issued, or is a conduit bond obligor for, securities that are traded, listed, or quoted on an exchange or an over-the-counter market would apply the new standard for transactions in which the entity serves as a *resource recipient* to annual reporting periods beginning after June 15, 2018, including interim periods within that annual period.

All other entities should apply the standard in which the entity serves as the resource recipient to annual reporting periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019.

For the years ended December 31, 2017 and 2016

NOTE 3

PLEDGES RECEIVABLE

Pledges receivable at December 31, 2017 and 2016 consist of unconditional promises to give by certain donors totaled $6,875 and $2,500, respectively. Pledges receivable are due within one year.

The balances of the pledges receivable as of December 31, 2017 and 2016 were subsequently collected in 2018 and 2017, respectively. There was no bad debt expense during the years ended December 31, 2017 and 2016.

NOTE 4

PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

As of December 31,	2017	2016
Computer, software and equipment	$ 133,619	$ 112,525
Furniture and fixtures	36,760	834
Leasehold improvements	33,840	33,840
	204,219	147,199
Less: accumulated depreciation	(148,526)	(139,684)
	$ 55,693	$ 7,515

Depreciation and amortization expenses for the years ended December 31, 2017 and 2016 were $8,842 and $2,415, respectively.

A total of $11,768 of furniture and fixtures was donated during the year ended December 31, 2017.

NOTE 5

COMMITMENTS AND CONTINGENCIES

Leases:

The Organization's Los Angeles headquarters in 2015, 2016 and first four months of 2017 operated under a lease for a period of twenty-five (25) months effective December 15, 2014. Monthly rent related to this lease was $3,433 effective January 1, 2016.

Effective on May 1, 2017, the Organization moved its Los Angeles headquarters to a new location. The lease is for a period of sixty (60) months, the rent for the second to fourth months of the initial term was fully abated. Monthly rent related to this lease is $8,812, with an annual escalation clause of 3%.

In addition, the Organization leases its other offices and a storage space on a month-to-month basis.

The Organization also leases office equipment for its various offices.

Future minimum rental payments under non-cancelable operating leases having remaining terms in excess of one year as of December 31, 2017 were as follows:

For the years ending December 31,	Amount
2018	$ 112,473
2019	111,031
2020	114,204
2021	117,376
2022	39,478
	$ 494,562

Total rent expense under operating leases for the years ended December 31, 2017 and 2016 was $84,119 and 32,646, respectively, net of $62,183 and $59,229, respectively, allocated to the Institute.

NOTE 5 – CONTINUED

COMMITMENTS AND CONTINGENCIES

Legal contingencies:

From time to time, Equality California participates as a plaintiff or petitioner in lawsuits related to equality issues which name the State of California, selected California counties and/or state officials acting in their official capacities as defendants. If Equality California did not prevail in these lawsuits, the defendants could seek an award of allowable costs against Equality California and other plaintiffs in these cases. It is not possible to estimate the amount of costs defendants might seek in the event that they prevail and accordingly the Organization has not recorded any liabilities for such situations as of December 31, 2017 or 2016.

NOTE 6

RELATED PARTY TRANSACTIONS

Equality California shares personnel, office space and various overhead costs with the Institute. Equality California generally allocates costs based on the time spent by personnel and other reasonable methods of allocation. The impact on either organization's viability should the costs not be shared has not been determined.

Equality California invoiced the Institute for the following shared expenses:

For the years ended December 31,	2017	2016
Salaries payroll taxes and benefits	$ 765,058	$1,035,576
Other expenses	375,894	154,919
Direct special events expense	188,016	171,707
Office expenses and supplies	32,600	34,353
Travel and entertainment	26,665	47,092
	$ 1,388,233	$1,443,647

The Organization received grants from the Institute for $245,000 and $255,000 during the years ended December 31, 2017 and 2016, respectively.

At December 31, 2017 and 2016, Equality California had a remaining receivable from the Institute for allocated expenses in the amounts of $582,447 and 627,451, respectively.

NOTE 7

TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2017 and 2016 consist of the following:

As of December 31,	2017	2016
Kors Advocacy Project	$ 24,757	$ 24,757
Time Restrictions	17,072	15,312
Various Projects	-	395
	$ 41,829	$ 40,464

NOTE 8

401(K) PLAN

Equality California has an existing 401(k) plan. The Plan covers all employees who are age 21 or older and have completed 1,000 hours of service within the 12 months following an employee's commencement of employment. The Organization may make discretionary matching contributions. There were $7,000 and $0 employer contributions during the years ended December 31, 2017 and 2016.