EQUALITY CALIFORNIA INSTITUTE

AUDITED FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2019 AND 2018

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Rossi LLP rossillp.com
Certified Public Accountants
Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Equality California Institute
Los Angeles, California

Report on the financial statements

We have audited the accompanying financial statements of Equality California Institute (a nonprofit organization), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Equality California Institute as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Rossi LLP

Long Beach, California
October 6, 2020

EQUALITY CALIFORNIA INSTITUTE
STATEMENTS OF FINANCIAL POSITION

As of December 31,	2019	2018
ASSETS		
Current assets:		
Cash and cash equivalents	$ 941,685	$ 763,483
Pledges receivable	149,565	131,944
Prepaid expenses and other current assets	-	65,000
Total current assets	1,091,250	960,427
Long-term assets:		
Property and equipment, net	11,539	15,427
Total long-term assets	11,539	15,427
Total assets	$ 1,102,789	$ 975,854
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	$ 8,571	$ 126
Due to Equality California	273,828	595,917
Accrued expenses and other current liabilities	72,605	54,743
Total current liabilities	355,004	650,786
Net assets:		
Without donor restrictions	303,191	(153,272)
With donor restrictions	444,594	478,340
Total net assets	747,785	325,068
Total liabilities and net assets	$ 1,102,789	$ 975,854

The accompanying notes are an integral part of these financial statements

EQUALITY CALIFORNIA INSTITUTE
STATEMENTS OF ACTIVITIES

For the year ended December 31, 2019	Without donor restrictions	With donor restrictions	Total
Public support and revenue:			
Public support:			
Foundation contributions	$ 408,057	$ 587,000	$ 995,057
Individual and other contributions	382,169	-	382,169
In-kind donations	335,086	-	335,086
Special events revenue	947,441	-	947,441
Total public support	2,072,753	587,000	2,659,753
Revenue:			
Program service revenue	638,966	-	638,966
Investment income	359	-	359
Miscellaneous income	1,844	-	1,844
Total revenue	641,169	-	641,169
Net assets released from restriction:			
Satisfaction of purpose / time restrictions	620,746	(620,746)	-
Total public support and revenue	3,334,668	(33,746)	3,300,922
Expenses:			
Program services	2,225,051	-	2,225,051
Costs of direct benefits to donors	286,514	-	286,514
Supporting services			
Management and general	191,647	-	191,647
Fundraising	174,993	-	174,993
Total expenses	2,878,205	-	2,878,205
Change in net assets	456,463	(33,746)	422,717
Net assets, beginning of year	(153,272)	478,340	325,068
Net assets, end of year	$ 303,191	$ 444,594	$ 747,785

The accompanying notes are an integral part of these financial statements

EQUALITY CALIFORNIA INSTITUTE
STATEMENTS OF ACTIVITIES - CONTINUED

For the year ended December 31, 2018	Without donor restrictions	With donor restrictions	Total
Public support and revenue:			
Public support:			
Foundation contributions	$ 218,424	$ 503,294	$ 721,718
Individual and other contributions	450,028	-	450,028
In-kind donations	250,684	65,000	315,684
Special events revenue	593,950	-	593,950
Total public support	1,513,086	568,294	2,081,380
Revenue:			
Program service revenue	212,677	-	212,677
Investment income	241	-	241
Miscellaneous income	1,222	-	1,222
Total revenue	214,140	-	214,140
Net assets released from restriction:			
Satisfaction of purpose / time restrictions	888,099	(888,099)	-
Total public support and revenue	2,615,325	(319,805)	2,295,520
Expenses:			
Program services	1,839,244	-	1,839,244
Costs of direct benefits to donors	286,907	-	286,907
Supporting services			
Management and general	222,908	-	222,908
Fundraising	110,209	-	110,209
Total expenses	2,459,268	-	2,459,268
Change in net assets	156,057	(319,805)	(163,748)
Net assets, beginning of year	(309,329)	798,145	488,816
Net assets, end of year	$ (153,272)	$ 478,340	$ 325,068

The accompanying notes are an integral part of these financial statements

EQUALITY CALIFORNIA INSTITUTE
STATEMENTS OF FUNCTIONAL EXPENSES

For the years ended December 31,	2019					2018				
		Supporting services					Supporting services			
	Program services	Management and general	Fundraising	Supporting services subtotal	Total expenses	Program services	Management and general	Fundraising	Supporting services subtotal	Total expenses
Salaries	$ 832,599	$ 81,275	$ 125,816	$ 207,091	$ 1,039,690	$ 726,600	$ 131,374	$ 87,205	$ 218,579	$ 945,179
Payroll taxes	68,434	5,809	7,565	13,374	81,808	60,669	6,263	3,149	9,412	70,081
Employee benefits	67,293	8,176	7,835	16,011	83,304	48,549	2,867	3,075	5,942	54,491
Total personnel expenses	968,326	95,260	141,216	236,476	1,204,802	835,818	140,504	93,429	233,933	1,069,751
Communications	387,901	-	3,558	3,558	391,459	98,786	-	60	60	98,846
Grant to Equality California	250,000	-	-	-	250,000	240,000	-	-	-	240,000
Grants to other organizations	128,734	-	-	-	128,734	31,500	-	-	-	31,500
Conferences and meetings	128,462	-	-	-	128,462	12,447	-	-	-	12,447
Travel and entertainment	114,134	517	5,285	5,802	119,936	98,884	946	4,616	5,562	104,446
Office expenses and supplies	66,572	5,136	5,583	10,719	77,291	51,797	4,108	1,395	5,503	57,300
Rent - building and equipment	63,536	6,016	7,483	13,499	77,035	57,839	7,525	3,549	11,074	68,913
Professional and outside services	63,152	5,350	6,180	11,530	74,682	226,032	1,559	4,685	6,244	232,276
Accounting and audit	-	37,471	-	37,471	37,471	-	37,137	-	37,137	37,137
Bank charges and merchant fees	25,122	6,316	2,815	9,131	34,253	17,332	3,362	1,088	4,450	21,782
Insurance	11,265	11,578	1,188	12,766	24,031	8,024	12,554	508	13,062	21,086
Utilities and communications	11,162	1,030	1,294	2,324	13,486	10,445	1,206	596	1,802	12,247
Recruitment and training	1,305	9,352	87	9,439	10,744	633	774	35	809	1,442
Taxes and licenses	-	6,364	25	6,389	6,389	-	4,683	-	4,683	4,683
Miscellaneous	4,343	47	29	76	4,419	7,352	-	-	-	7,352
Depreciation and amortization	-	3,888	-	3,888	3,888	-	3,120	-	3,120	3,120
Legal	1,000	1,500	-	1,500	2,500	137,723	-	-	-	137,723
Dues and subscriptions	-	1,750	250	2,000	2,000	852	5,430	43	5,473	6,325
Repairs and maintenance	37	72	-	72	109	3,780	-	205	205	3,985
Total expenses	$ 2,225,051	$ 191,647	$ 174,993	$ 366,640	$ 2,591,691	$ 1,839,244	$ 222,908	$ 110,209	$ 333,117	$ 2,172,361

The accompanying notes are an integral part of these financial statements

EQUALITY CALIFORNIA INSTITUTE
STATEMENTS OF CASH FLOWS

For the years ended December 31,	2019	2018
Cash flows from operating activities:		
Change in net assets	$ 422,717	$ (163,748)
Adjustments to reconcile change in net assets to net cash provided by (used activities:		
Depreciation	3,888	3,120
(Increase) decrease in assets:		
Pledges receivable	(17,621)	(75,911)
Prepaid expenses and other current assets	65,000	2,397
Increase (decrease) in liabilities:		
Accounts payable	8,445	(6,523)
Due to Equality California	(322,089)	13,470
Accrued expenses and other current liabilities	17,862	17,229
Net cash provided by (used in) operating activities	178,202	(209,966)
Cash flows from investing activities:		
Acquisition of property and equipment	-	(7,662)
Net cash used in investing activities	-	(7,662)
Net increase (decrease) in cash and cash equivalents	178,202	(217,628)
Cash and cash equivalents, beginning of year	763,483	981,111
Cash and cash equivalents, end of year	$ 941,685	$ 763,483
Supplemental cash flow information:		
Recognition of in-kind contributions and related assets and expenses	$ 335,086	$ 315,684

The accompanying notes are an integral part of these financial statements

As of and for the years ended December 31, 2019 and 2018

NOTE 1: NATURE OF INSTITUTE AND ACTIVITIES

Equality California is made up of two separate organizations working together to advance civil rights and social justice, which form the nation's largest statewide lesbian, gay, bisexual, transgender and queer ("LGBTQ") 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 we serve.

Equality California is comprised of Equality California (the "Organization") and 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 Organization also manages multiple affiliated political action committees. 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.

The Institute was founded in 1999. The Institute conducts public education programs for members of the LGBTQ community and the general public, as well as for healthcare workers, educators and public policymakers. The Institute has launched a number of programs to address disparities in LGBTQ health and wellbeing, including Transform California, Health Happens With Equality, the Safe and Supportive Schools Program, #Equality4All, OUT Against Big Tobacco, #WillBeCounted and Take It: I'm PrEP'd. The Institute offers a four-week summer fellowship program in Sacramento to give college students first-hand experience working with legislators on state policy. The Institute conducts LGBTQ Leadership Academies annually in Northern California and Southern California. The Institute also hosts annual "Fair Share for Equality" convenings of leaders from the LGBT community and community organizations, educators, social service agencies, and policymakers. The Institute created the Fair Share for Equality initiative to help educate the community and policymakers on how best to advance the health and wellbeing of California's LGBTQ community.

Equality California has staff in Los Angeles, Sacramento, the San Francisco Bay Area, Las Vegas, 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 Institute's financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Financial Accounting Standards Board ("FASB") has established the FASB Accounting Standards Codification ("ASC") as the sole source of authoritative accounting to be applied by nongovernmental entities in the preparation of financial statements in conformity with U.S. GAAP.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

In preparing these financial statements, the Institute evaluated the period January 1, 2020 through October 6, 2020, the date that the financial statements were available to be issued, for subsequent events requiring recognition or disclosure in the accompanying financial statements and notes to the financial statements.

Use of estimates:

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and assumptions.

Net assets:

In accordance with ASC 958-205, *Not-for-Profit Entities – Presentation of Financial Statements*, the Institute's net assets, revenues, gains, expenses and losses are classified as with donor restrictions and without donor restrictions, as follows:

- *Net assets without donor restrictions* – Net assets available for use at the discretion of the Board of Directors (the "Board") and/or management for general operations and not subject to donor restrictions.

- *Net assets with donor restrictions* – Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when the restriction expires, that is, when the stipulated time has elapsed, or when the stipulated purpose for which the resource was restricted has been accomplished, or both.

See Note 7 for more information on the composition of net assets with donor restrictions and the release of restrictions.

Revenue and support recognition:

In accordance with ASC 958-605, *Not-for-Profit Entities - Revenue Recognition*, unconditional promises to give are recognized as contributions when the underlying promises are received by the Institute. Unconditional promises to give, gifts of cash and other assets are reported as contribution revenue without donor restrictions or revenues with donor restrictions. When a donor restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

As of and for the years ended December 31, 2019 and 2018

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Revenue and support recognition:

The Institute recognizes program service and public contract revenue in the period when the services have been provided.

Contributed goods and services:

In accordance with ASC 958-605, contributions of donated noncash assets, free use of facilities and services are recorded at their estimated fair values in the period received. Contributed services are recognized if the services (a) create or enhance nonfinancial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation.

During the years ended December 31, 2019 and 2018, the values of contributed services included as in-kind donations in the accompanying financial statements were $335,086 and $250,684, respectively, which consisted primarily of pro bono legal services and communications support. During the years ended December 31, 2019 and 2018, the value of contributed goods included as in-kind donations in the accompanying financial statements were $0 and $65,000, respectively.

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.

Property and equipment:

Property and equipment acquired is recorded at cost. Donated property and equipment is recorded at estimated fair value at the date of donation. Property and equipment, which is donated or acquired with resources restricted for such acquisition, is considered to be without restrictions when placed into service. Depreciation and amortization is recorded using the straight-line method over the respective assets estimated useful lives ranging from five to seven years.

Income taxes:

The Institute is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from state franchise taxes under Section 23701(d) of the California and Revenue Taxation Code, whereby only unrelated business income as defined by Section 509(a)(1) of the Internal Revenue Code, is subject to federal income tax. The Institute does not believe that during the years ended December 31, 2019 and 2018 that it had any unrelated business taxable income and accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Income taxes:

The Institute follows the provisions of FASB ASC 740-10, *Income Taxes* and related subsections. Accordingly, the Institute 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 Institute 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 Institute does not believe that its tax exempt income tax filings include any uncertain tax positions and accordingly, has not recognized any liability for unrecognized tax benefits in the accompanying financial statements.

Concentration of credit risk:

Financial instruments which potentially subject the Institute to a concentration of credit risk consist principally of cash, cash equivalents and receivables. The Institute maintains its cash balances in the form of demand deposits and money market accounts with major financial institutions that management has determined to be credit worthy. The Institute has no significant financial instruments with off-balance sheet risk of accounting loss.

During 2019, the Institute derived 20% of its public support from two donors, and during 2018, the Institute received 16% of its public support from one donor. At December 31, 2019, 85% of promises to give were due from two donors, and at December 31, 2018, 81% of promises to give were due from three donors.

Functional allocation of expenses:

The costs of providing the various program services and other activities of the Institute 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 the 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.

Fair value of financial instruments:

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

New accounting standards adopted:

In June 2018, the FASB issued Accounting Standards Update (“ASU”) 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 requires that an entity determine whether a contribution is conditional on the basis of whether an agreement includes a barrier that must be overcome and either a right of return of assets transferred or a right of release of a promisor’s obligation to transfer assets.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

New accounting standards adopted:

After a contribution has been deemed unconditional, an entity would then consider whether the contribution is restricted on the basis of the current definition of the term *donor-imposed restriction*, which includes a consideration of how broad or narrow the purpose of the agreement is, and whether the resources are available for use only after a specified date. Effective as of January 1, 2019, the Institute adopted the requirement of ASU 2018-08. There was no material impact to the financial statements as result of the adoption of ASU 2018-08. Accordingly, no adjustment to opening net assets was recorded.

In May 2014, the FASB issued Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The core principle of the new guidance is that an entity will recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard provides a five-step analysis of transactions to determine when and how revenue is recognized. Other major provisions include the capitalization and amortization of certain contract costs, ensuring the time value of money is considered in the transaction price and allowing estimates of variable consideration to be recognized before contingencies are resolved in certain circumstances. Effective as of January 1, 2019, the Institute adopted the requirement of ASU 2014-09. The ASU has been applied retrospectively to all periods presented, with no effect on net assets or previously issued financial statements.

New accounting standards not yet adopted:

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)*. This ASU requires that a lease liability and related right-of-use-asset representing the lessee's right to use or control the asset be recorded on the statement of financial position upon the commencement of all leases except for short-term leases. Leases will be classified as either finance leases or operating leases, which are substantially similar to the classification criteria for distinguishing between capital leases and operating in existing lease accounting guidance. As a result, the effect of leases in the statement of activities and changes in net assets and the statement of cash flows will be substantially unchanged from the existing lease accounting guidance. The ASU is effective for fiscal years beginning after December 15, 2021. Early adoption is permitted. The Institute is currently evaluating the full effect that the adoption of this standard will have on its financial statements.

As of and for the years ended December 31, 2019 and 2018

NOTE 3: LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The following reflects the Institute's financial assets as of the balance sheet date, reduced by amounts not available for general use because of contractual or donor-imposed purpose restrictions within one year of the balance sheet date. Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the balance sheet dates, are comprised of the following:

As of December 31,	**2019**	**2018**
Financial assets at year-end:		
Cash and cash equivalents	$ 941,685	$ 763,483
Pledges receivable	149,565	131,944
Total financial assets available	1,091,250	895,427
Less those unavailable for general expenditures within one year, due to:		
Net assets with donor restrictions for specified purposes	(444,594)	(413,340)
Financial assets available to meet cash needs for general expenditures within one year	$ 646,656	$ 482,087

At December 31, 2019 and 2018, the Institute had $646,656 and $482,087, respectively, of financial assets available within one year of the balance sheet date to meet cash needs for general expenditures. As part of the Institute's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Institute reviews its funding levels on an on-going basis to ensure they are adequate.

Subsequent to December 31, 2019, the Institute received a Payroll Protection Program Loan ("PPP") and an Economic Injury Disaster Loan of $199,000 and $500,000, respectively. These transactions significantly increased the liquidity of the Institute. See Note 10.

NOTE 4: PLEDGES RECEIVABLE

Pledges receivable at December 31, 2019 and 2018 consist of unconditional promises to give by certain donors which totaled $149,565 and $131,944, respectively. Pledges receivable were due within one year and were collected subsequent to year end.

There was no bad debt expense recorded by the Institute during the years ended December 31, 2019 and 2018.

As of and for the years ended December 31, 2019 and 2018

NOTE 5: PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

As of December 31,	2019	2018
Computer, software and equipment	$ 25,049	$ 36,817
Donated furniture and fixtures	11,768	-
Leasehold improvements	3,200	3,200
Subtotal	40,017	40,017
Less: accumulated depreciation	(28,478)	(24,590)
Property and equipment, net	$ 11,539	$ 15,427

Depreciation and amortization expenses totaled $3,888 and $3,120 for the years ended December 31, 2019 and 2018, respectively.

NOTE 6: RELATED PARTY TRANSACTIONS

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

The Institute was invoiced by Equality California for the following shared expenses for the years ended December 31, 2019 and 2018:

For the years ended December 31,	2019	2018
Salaries payroll taxes and benefits	$ 889,015	$ 1,051,751
Direct special events expense	282,836	275,611
Other expenses	186,459	419,779
Travel and entertainment	28,946	59,960
Office expenses and supplies	17,770	38,443
Total	$ 1,405,026	$ 1,845,544

The Institute invoice the Organization for the following shared expenses:

For the years ended December 31,	2019	2018
Salaries payroll taxes and benefits	$ 65,894	$ -

In addition, the Institute issued grants to Equality California in the amounts of $250,000 and $240,000 during the years ended December 31, 2019 and 2018, respectively.

As of December 31, 2019 and 2018, the Institute had remaining payable balances to Equality California of $273,828 and $595,917, respectively, for allocated expenses and grant expenses.

As of and for the years ended December 31, 2019 and 2018

NOTE 7: NET ASSETS WITH DONOR RESTRICTIONS

From time to time, the Institute receives contributions subject to donor restrictions. Those contributions received with restrictions are released from restrictions when expenses are incurred, the purpose has been fulfilled, or through passage of time.

At December 31, 2019 and 2018, net assets with donor restrictions were as follows:

As of December 31,	2019	2018
Subject to expenditure for specified purposes:		
Census outreach	$ 211,887	$ 9,429
Fellowship program	93,442	53,442
Leadership academy	64,723	50,000
Safe and supportive schools	50,000	-
Community engagement	24,542	-
Health outreach	-	298,904
Public advocacy	-	1,565
Subtotal	444,594	413,340
Subject to the passage of time:		
Travel vouchers	-	65,000
Subtotal	-	65,000
Total	$ 444,594	$ 478,340

Net assets released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors during the years ended December 31, 2019 and 2018 are as follows:

For the years ended December 31,	2019	2018
Purpose restrictions accomplished:		
Health outreach	$ 298,904	$ 301,099
Community engagement	125,458	-
Fellowship program	30,000	30,000
Leadership academy	50,277	36,800
Census outreach	49,542	83,865
Public advocacy	1,565	33,935
PrEP Education	-	250,000
Transgender public education	-	64,892
Immigration reform	-	14,508
Special events	-	8,000
Subtotal	555,746	823,099
Time restriction expired:		
Travel vouchers	65,000	65,000
Subtotal	65,000	65,000
Total	$ 620,746	$ 888,099

As of and for the years ended December 31, 2019 and 2018

NOTE 8: COMMITMENTS AND CONTINGENCIES

Legal contingencies:

From time to time, the Institute participates as a plaintiff or petitioner in lawsuits related to equality issues. If the Institute did not prevail in these lawsuits, the defendants could seek an award of allowable costs against the Institute and other plaintiffs in certain cases. It is not possible to estimate the amount of costs defendants might seek in the event that they prevail and accordingly the Institute has not recorded any liabilities for such situations as of December 31, 2019 or 2018.

NOTE 9: 401(K) PLAN

The Institute 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. Equality California may make discretionary matching contributions. During the years ended December 31, 2019 and 2018, there were $1,846 and $1,500 employer contributions.

NOTE 10: SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared the outbreak of a novel coronavirus (COVID-19) a pandemic which remains a global concern. Governments, both locally and nationally, have instituted varying levels of actions to contain the virus's spread. Accordingly, the Institute implemented a work from home policy for its employees. While the ultimate impact of COVID-19 on the Institute's revenue and public support are unknown, the Institute continues to review its program activities and will make the necessary modifications to its operating plan and programs based on the current health concerns as a result of the pandemic.

On March 27, 2020, the President signed into law, the Coronavirus Aid, Relief, and Economic Stability Act ("CARES Act") which included a small business forgivable loan program, the Paycheck Protection Program ("PPP"). In April 2020, the Institute applied for and received a loan of $199,000 with an interest rate of 1.00% under the PPP to be used for payroll, payroll costs and certain eligible other non-payroll expenses. Also, in April 2020, the Institute entered into an Economic Injury Disaster Loan of $500,000 with interest at 2.75% per annum, due in monthly installments of $2,136 commencing April 22, 2021, maturing April 22, 2050. The promissory note is secured by substantially all of the Institute's assets.