EQUALITY FLORIDA INSTITUTE, INC.

Financial Statements

December 31, 2021 and 2020
(With Independent Auditors' Report Thereon)

EQUALITY FLORIDA INSTITUTE, INC.

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Independent Auditors' Report

To the Board of Directors
Equality Florida Institute, Inc.:

Opinion

We have audited the financial statements of Equality Florida Institute, Inc. (the "Organization"), which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities and changes in net assets and cash flows for the years then ended, the related statement of functional expenses for the year ended December 31, 2021, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Equality Florida Institute, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended, and its functional expenses for the year ended December 31, 2021, in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Equality Florida Institute, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Equality Florida Institute, Inc.'s ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit 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 Equality Florida Institute, Inc.'s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Equality Florida Institute, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

MAYER HOFFMAN McCANN P.C.

July 18, 2022
St. Petersburg, Florida

EQUALITY FLORIDA INSTITUTE, INC.

Statements of Financial Position

December 31, 2021 and 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents	$ 3,561,387	3,629,838
Grants receivable, current	624,285	687,950
Other	328,140	324,905
Total current assets	4,513,812	4,642,693
Grants receivable, noncurrent	-	375,000
Investments - operating funds	1,546,405	-
Investments - endowment	376,316	372,322
Fixed assets:		
Computer equipment	16,209	20,796
Office furniture and equipment	3,658	3,658
	19,867	24,454
Less accumulated depreciation	14,371	13,462
Fixed assets, net	5,496	10,992
Total assets	$ 6,442,029	5,401,007
Liabilities and Net Assets		
Current liabilities:		
Accounts payable	$ 62,943	60,877
Accrued payroll and related expenses	187,893	184,645
Due to affiliate	27,011	12,844
Deferred revenue - gala events	68,998	30,950
Other current liabilities	176,472	77,243
Total current liabilities	523,317	366,559
Deferred compensation	95,000	-
Total liabilities	618,317	366,559
Net assets:		
Without donor restrictions	4,325,520	3,485,831
With donor restrictions	1,498,192	1,548,617
Total net assets	5,823,712	5,034,448
Total liabilities and net assets	$ 6,442,029	5,401,007

EQUALITY FLORIDA INSTITUTE, INC.

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2021
(With Comparative Totals for 2020)

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
Support and revenue:				
Private foundation grants	$ 828,229	706,099	1,534,328	3,261,805
Federal grants:				
Paycheck Protection Program loan	494,241	-	494,241	453,000
Employee Retention Tax Credit	687,197	-	687,197	157,624
In-kind contributions	153,538	-	153,538	203,448
Contributions, net of direct benefits to donors of $362,199 and $268,468 in 2021 and 2020, respectively	1,612,048	1,700	1,613,748	2,235,828
Bequests	9,946	-	9,946	108,758
Phone canvass donations	167,750	-	167,750	156,164
Program fees	103,250	-	103,250	138,553
Interest income	12,621	-	12,621	18,274
Investment income, net	45,435	54,546	99,981	50,203
Other income	12,829	-	12,829	6,778
Net assets released from restrictions	812,770	(812,770)	-	-
Total operating support and revenue	4,939,854	(50,425)	4,889,429	6,790,435
Operating expenses:				
Program services	3,680,754	-	3,680,754	3,371,720
Supporting services	419,411	-	419,411	299,684
Total operating expenses	4,100,165	-	4,100,165	3,671,404
Increase (decrease) in net assets	839,689	(50,425)	789,264	3,119,031
Net assets, beginning of year	3,485,831	1,548,617	5,034,448	1,915,417
Net assets, end of year	$ 4,325,520	1,498,192	5,823,712	5,034,448

EQUALITY FLORIDA INSTITUTE, INC.

Statement of Activities and Changes in Net Assets

Year Ended December 31, 2020

		Without Donor Restrictions	With Donor Restrictions	Total
Support and revenue:				
Private foundation grants	$	2,038,146	1,223,659	3,261,805
Federal grants:				
Paycheck Protection Program loan		453,000	-	453,000
Employee Retention Tax Credit		157,624	-	157,624
In-kind contributions		203,448	-	203,448
Contributions, net of direct benefits to donors of $268,468		2,232,640	3,188	2,235,828
Bequests		108,758	-	108,758
Phone canvass donations		156,164	-	156,164
Program fees		138,553	-	138,553
Interest income		18,274	-	18,274
Investment income, net		(349)	50,552	50,203
Other income		6,778	-	6,778
Net assets released from restrictions		560,600	(560,600)	-
Total operating support and revenue		6,073,636	716,799	6,790,435
Operating expenses:				
Program services		3,371,720	-	3,371,720
Supporting services		299,684	-	299,684
Total operating expenses		3,671,404	-	3,671,404
Increase in net assets		2,402,232	716,799	3,119,031
Net assets, beginning of year		1,083,599	831,818	1,915,417
Net assets, end of year	$	3,485,831	1,548,617	5,034,448

EQUALITY FLORIDA INSTITUTE, INC.

Statement of Functional Expenses

Year Ended December 31, 2021
(With Comparative Totals for 2020)

	Program Services	Supporting Services: Management and General	Supporting Services: Development	Supporting Services: Total	Total Expenses: 2021	Total Expenses: 2020
Salaries	$ 2,292,987	163,924	27,249	191,173	2,484,160	1,983,402
Payroll taxes	161,989	10,021	1,965	11,986	173,975	147,668
Employee benefits	391,877	33,755	4,641	38,396	430,273	262,686
	2,846,853	207,700	33,855	241,555	3,088,408	2,393,756
Operating	410,815	20,283	16,302	36,585	447,400	469,638
Professional fees	54,574	27,274	76	27,350	81,924	172,753
Occupancy	35,329	11,179	2,028	13,207	48,536	52,991
Travel and meeting	106,593	32,557	2,529	35,086	141,679	125,198
Miscellaneous	15,806	34,783	12,316	47,099	62,905	57,503
Business	23	2,185	12	2,197	2,220	8,843
Contract labor	207,372	12,156	4,176	16,332	223,704	386,729
Total expenses before depreciation	3,677,365	348,117	71,294	419,411	4,096,776	3,667,411
Depreciation	3,389	-	-	-	3,389	3,993
Total expenses - 2021	$ 3,680,754	348,117	71,294	419,411	4,100,165	
Total expenses - 2020	$ 3,371,720	249,322	50,362	299,684		3,671,404

EQUALITY FLORIDA INSTITUTE, INC.

Statements of Cash Flows

Years Ended December 31, 2021 and 2020

	2021	2020
Cash flows from operating activities:		
Increase in net assets	$ 789,264	3,119,031
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	3,389	3,993
Loss on disposal of fixed assets	2,107	-
Realized and unrealized gains on investments	(94,973)	(47,055)
Changes in operating assets and liabilities:		
Decrease (increase) in grants receivable	438,665	(793,360)
Increase in other current assets	(3,235)	(239,240)
Increase (decrease) in accounts payable	2,066	(25,266)
Increase in accrued payroll and related expenses	3,248	62,056
Increase in due to affiliate	14,167	11,487
Increase (decrease) in deferred revenue	38,048	(69,807)
Increase in other current liabilities	99,229	34,467
Increase in deferred compensation	95,000	-
Net cash provided by operating activities	1,386,975	2,056,306
Cash flows from investing activities:		
Purchase of investments	(1,555,673)	(45,256)
Proceeds from sale of investments	100,247	74,410
Net cash provided by (used in) investing activities	(1,455,426)	29,154
Net increase (decrease) in cash and cash equivalents	(68,451)	2,085,460
Cash and cash equivalents at beginning of year	3,629,838	1,544,378
Cash and cash equivalents at end of year	$ 3,561,387	3,629,838

(1) Description of Organization and Summary of Significant Accounting Policies

(a) Description of Organization

Equality Florida Institute, Inc. ("EFI" or the "Organization") was formed on June 3, 1997 as a Florida not-for-profit corporation. The Organization focuses on educating the public, elected officials, and businesses about issues of importance to the lesbian, gay, bisexual, transgender, and queer (LGBTQ) community. It is the largest civil rights education organization dedicated to full equality for Florida's LGBTQ community.

(b) Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

(c) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis and in accordance with accounting principles generally accepted in the United States of America which require the Organization report information regarding its financial position and activities based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions - Net assets available for general use and not subject to donor restrictions.

Net Assets With Donor Restrictions - Net assets subject to donor-imposed restrictions. Certain donor imposed restrictions are temporary in nature and will be met either by the passage of time or the accomplishment of a purpose restriction. When a donor restriction expires, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, the net assets are reclassified as net assets without donor restrictions and reported in the accompanying statement of activities as net assets released from restrictions. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

(d) Financial Accounting Standards

The Financial Accounting Standards Board (FASB) issued authoritative guidance establishing two levels of U.S. generally accepted accounting principles (GAAP) - authoritative and nonauthoritative - and making the Accounting Standards Codification (ASC) the source of authoritative, nongovernmental GAAP, except for rules and interpretive releases of the Securities and Exchange Commission. This guidance was incorporated into ASC Topic 105, *Generally Accepted Accounting Principles*.

(1) Description of Organization and Summary of Significant Accounting Policies - Continued

(e) Pledges Receivable

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, donor restricted net assets are reclassified to net assets without donor restrictions.

The Organization uses the allowance method to determine uncollectible pledges receivable. The allowance is based on historical experience and management's analysis of specific promises made.

Conditional contributions are recorded as revenue when such amounts become unconditional which generally involves the meeting of a barrier to entitlement. This can include items like meeting a matching provision, incurring specified allowable expenses in accordance with a framework of allowable costs or other barriers. Contributions received pending designation by the donor are considered to be net assets with donor restrictions until donor stipulations are known at which time such amounts are reclassified, if required.

(f) Fixed Assets

Fixed assets are stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Expenditures for fixed assets in excess of $1,000 and with a useful life greater than one year are capitalized. Similarly, donated fixed assets with a fair market value in excess of $1,000 and a useful life greater than one year at the date of receipt are capitalized.

(g) Income Taxes

The Organization has been recognized by the Internal Revenue Service as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. Income earned in furtherance of the Organization's tax-exempt purpose is exempt from Federal and State income taxes. The Organization is treated as a publicly supported organization, and not as a private foundation. The Organization has adopted the provisions of ASC Topic 740, relating to *Accounting for Uncertainty in Income Taxes* and does not believe it has any material income tax exposure relating to uncertain tax positions. The Organization's tax filings are generally open for examination by taxing authorities for three years after the date of filing.

(h) Contributions

All contributions are reflected in net assets without donor restrictions or in net assets with donor restrictions based on the existence or absence of donor restrictions. Amounts received with donor-imposed restrictions that are recorded as revenues in net assets with donor restrictions are reclassified to net assets without donor restrictions when the time or purpose restriction has been satisfied.

(1) Description of Organization and Summary of Significant Accounting Policies - Continued

(i) Deferred Revenue

Sponsorships for future events are deferred and recognized when the event takes place.

(j) Donated Materials and Services

Donations of materials are recorded as support at their estimated fair value at the date of donation. Donations of services are recorded as support at their estimated fair value if the services received require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation or create or enhance nonfinancial assets. In addition, other volunteer hours were contributed to the Organization which did not meet the requirements for recognition in the financial statements.

(k) Functional Allocation of Expenses

The costs of providing the various programs and activities and supporting services have been summarized on a functional basis in the statements of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Expenses directly attributable to a specific functional area of the Organization are reported as direct expenses of those functional areas while indirect costs that benefit multiple functional areas have been allocated among the functional areas based on either time spent by employees on each functional area or based on the Organization’s square footage analysis for all indirect occupancy-related indirect costs.

(l) Use of Estimates in the Preparation of Financial Statements

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

(m) Advertising and Promotion

Advertising and promotion costs are expensed as incurred. Advertising and promotion expense for the years ended December 31, 2021 and 2020 was approximately $11,900 and $35,900, respectively.

(1) Description of Organization and Summary of Significant Accounting Policies - Continued

(n) New Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases (Topic 842)* ("ASU 2016-02"). The guidance in this ASU supersedes the leasing guidance in ASC Topic 840, *Leases*. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The new standard is effective for the Organization for the year beginning after December 15, 2021. A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available. The Organization is currently evaluating the effect the provisions of ASU 2016-02 will have on the financial statements.

(o) Comparative Financial Information

The statement of functional expenses includes certain prior-year summarized comparative information in total but not by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

(2) Related Party Transactions

The Organization shares certain costs with Equality Florida Action, Inc. ("EFA"), an affiliated not-for-profit entity. Shared costs include personnel, contract labor and office space. Amounts paid to the Organization by EFA for shared personnel costs (salaries, wages, payroll taxes and benefits), contract labor and office space during 2021 and 2020 were approximately $325,000 and $454,000, respectively. Amounts paid by EFA to the Organization in 2021 include prepayments for estimated shared costs totaling $27,011. Prepayments from EFA to the Organization for shared costs at December 31, 2020. were $12,844.

Grants awarded by the Organization to EFA during 2021 and 2020 were approximately $320,000 and $300,000 respectively.

The Organization and EFA are affiliated through common board membership. EFA is recognized as a tax-exempt organization under section 501(c)(4) of the Internal Revenue Code and focuses its efforts on political lobbying and advocating for equal rights for the Florida LGBTQ community.

The Organization purchases promotional services from a company owned by a former board member. Total promotional services purchased from this company were approximately $4,000 and $1,900 for the years ended December 31, 2021 and 2020, respectively. Included in other current liabilities in the accompanying statements of financial position are amounts due to this related party of $5,850 and $1,850 at December 31, 2021 and 2020, respectively.

(2) Related Party Transactions - Continued

The Organization receives in-kind legal services from a law firm in which a member of the board of directors formerly served in a leadership role. Total contributed in-kind legal services received from this firm were approximately $20,000 and $141,000 for the years ended December 31, 2021 and 2020, respectively.

(3) Investments

Investments consist of the following at December 31, 2021 and 2020:

	2021		2020	
	Cost	Market	Cost	Market
Endowment:				
Money market funds	$ 7,134	7,134	9,065	9,065
Equities	206,174	302,826	220,669	295,229
Fixed income securities	60,143	62,996	60,278	65,597
Real Estate Investment Trusts (REITs)	2,024	3,360	2,039	2,431
Total endowment	275,475	376,316	292,051	372,322
Operating:				
Money market funds	18,849	18,849	-	-
Equities	994,517	1,042,185	-	-
Fixed income securities	441,043	436,714	-	-
Real Estate Investment Trusts (REITs)	45,529	48,657	-	-
Total operating	1,499,938	1,546,405	-	-
Total investments	$ 1,775,413	1,922,721	292,051	372,322

At December 31, 2021 and 2020, the Organization’s investments were held in managed brokerage accounts with a third party brokerage firm.

The following schedule summarizes investment return for the years ended December 31, 2021 and 2020:

	2021	2020
Interest and dividends	$ 13,015	5,054
Net realized and unrealized gains	94,973	47,055
Investment management fees	(8,007)	(1,906)
Total investment return	$ 99,981	50,203

(4) Liquidity and Availability of Resources

The Organization regularly monitors liquidity to meet its operating needs and other contractual commitments while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and investments.

(4) Liquidity and Availability of Resources - Continued

For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Organization considers all expenditures related to its ongoing program activities as well as activities conducted to support those programs to be general expenditures. In addition to the financial assets available to meet general expenditures over the next 12 months, the Organization operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources. Refer to the statement of cash flows which identifies sources and uses of the Organization's cash.

As of December 31, 2021 and 2020, the Organization's financial assets available to meet cash needs for general expenditures for the next 12 months were as follows:

	2021	2020
Financial assets:		
Cash and cash equivalents	$ 3,561,387	3,629,838
Grants receivable, current	624,285	687,950
Grants receivable, noncurrent	-	375,000
Investments - operating	1,546,405	-
Investments - endowment	376,316	372,322
Total financial assets	6,108,393	5,065,110
Less amounts unavailable for general expenditure within the next 12 months due to:		
Grants receivable, noncurrent	-	(375,000)
Contractual or donor-imposed restrictions:		
Donor-restricted for specific purposes, specific time periods or in perpetuity	(1,398,192)	(1,248,617)
Financial assets available to meet cash needs for general expenditures for the next 12 months	$ 4,710,201	3,441,493

(5) Credit Risk Concentrations

The Organization maintains deposit accounts with what management believes to be high credit quality financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to $250,000. The Organization has not experienced any losses in such accounts. As of December 31, 2021, the Organization's deposit balances were fully covered by federal deposit insurance. The Organization believes it is not exposed to any significant credit risk on its cash balances.

The total balance of grants receivable at December 31, 2021 includes a balance due from a single grantor of $274,000 that represents approximately 44% of the total.

Purchases of services from one vendor amounted to approximately $136,577 or 15% of the Company's total purchases for the year ended December 31, 2021.

(6) Retirement Plans

The Organization sponsors a defined contribution 403(b) retirement plan (the Plan) which covers all employees who have met certain eligibility requirements. The Organization provides a matching contribution equal to 100% of the employee's elective deferral that does not exceed 3% of the employee's compensation. In addition, the Organization may make a supplemental contribution of up to 3% to the Plan at year end. Retirement plan expense for the years ended December 31, 2021 and 2020 was approximately $125,000 and $115,000, respectively.

Effective December 6, 2021, the Organization adopted a non-qualified Deferred Compensation Benefit Plan, as described in Section 457(b) of the Internal Revenue Code, for key management employees designated by the Board of Directors. The 457(b) plan operates on a calendar-year basis, whereby the participants are eligible to make contributions to the accounts up to a maximum amount mandated by the Internal Revenue Code. Participants' accounts will be taxable to the participant when it is "made available" to the participant. 457(b) plan expense for the year ended December 31, 2021 was approximately $97,000.

(7) Operating Leases

The Organization leases space for five offices. Rent expense under operating leases was approximately $48,000 and $46,000 in 2021 and 2020, respectively.

Future minimum lease payments under noncancellable operating leases as of December 31, 2021 were approximately $20,000 through December 31, 2022.

(8) Fair Value Measurements

In accordance with the *Fair Value Measurement* Topic of the FASB Accounting Standards Codification, the Organization uses a fair value hierarchy for its financial assets and liabilities measured on a recurring basis. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements).

Financial instruments measured at fair value are classified and disclosed in the following categories:

Level 1: Quoted prices are available in active markets for identical investments as of the reporting date. The types of financial instruments included in Level 1 are money market funds, equity mutual funds, common and preferred stock, corporate bonds and U.S. treasury and agency obligations.

Level 2: Pricing inputs are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value is determined through the use of models or other valuation methodologies. The fair value of the Organization's fixed rate securities are based on quoted prices in markets that may not be active.

Level 3: Valuation is based on unobservable inputs.

The inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, a financial instrument's level within the fair value hierarchy is based on the lowest level of input that is significant to the fair value measurement.

(8) Fair Value Measurements - Continued

Fair values of assets measured at fair value on a recurring basis at December 31, 2021 were as follows:

	Fair Value	Level 1	Level 2	Level 3
Investments:				
Money market funds	$ 25,983	25,983	-	-
Equities:				
Domestic	1,221,650	1,221,650	-	-
International	123,360	123,360	-	-
Fixed income:				
U.S. corporate bonds	499,711	-	499,711	-
Real estate investment trust	52,017	52,017	-	-
Total investments	$ 1,922,721	1,423,010	499,711	-

Fair values of assets measured at fair value on a recurring basis at December 31, 2020 were as follows:

	Fair Value	Level 1	Level 2	Level 3
Investments:				
Money market funds	$ 9,065	9,065	-	-
Equities:				
Domestic	284,475	284,475	-	-
International	10,754	10,754	-	-
Fixed income:				
U.S. corporate bonds	65,597	-	65,597	-
Real estate investment trust	2,431	2,431	-	-
Total investments	$ 372,322	306,725	65,597	-

(9) Donor Restrictions on Net Assets

Net assets with donor restrictions consist of the following at December 31, 2021 and 2020:

	2021	2020
Pledges receivable, net	$ 1,700	3,188
Time restricted grants	1,032,374	1,032,374
Education and training programs	142,348	191,285
Endowment fund, earnings to fund operations	321,770	321,770
	$ 1,498,192	1,548,617

(10) <u>Endowment</u>

The Organization's endowment consists of one donor-restricted endowment fund established to support the operations of the Organization. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The Organization adheres to the Florida Uniform Prudent Management of Institutional Funds Act (FUPMIFA). The Organization has interpreted FUPMIFA as allowing the Organization to spend or accumulate the amount of an endowment fund that the Organization determines is prudent for the uses, benefits, purposes, and duration for which the endowment fund is established, subject to the intent of the donor as expressed in the gift instrument. The Organization classifies as net assets with donor restrictions the historical value of donor-restricted endowment funds, which includes (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) changes to the permanent endowment made in accordance with the direction of the applicable donor gift instrument. Also included in net assets with donor restrictions is accumulated appreciation on donor restricted endowment funds which are available for expenditure in a manner consistent with the standard of prudence prescribed by FUPMIFA, and deficiencies associated with funds where the value of the fund has fallen below the original value of the gift.

Investment Return Objectives, Risk Parameters and Strategies: The Organization has adopted investment and spending policies, approved by the Board, for endowment assets. The endowment funds are invested in a portfolio of domestic and international equities and corporate bonds, actively managed by a registered investment advisory firm. In consultation with investment advisors, management has determined an appropriate allocation of fund assets to balance the risk and return on the underlying funds under a wide range of market and economic conditions, while maintaining the donor's original intent to provide a reliable and consistent funding stream to the programs and activities of the organization. The specific investment objective is one of balanced growth with moderate risk.

Spending Policy: FUPMIFA allows that when a donor has indicated a desire to create an endowment but has not provided an exact spending percentage, the Organization may assume the donor's primary goal was to create a permanent fund that will generate sufficient income and appreciation to provide ongoing distributions from the fund to maintain the Organization's programs and activities, regardless of general economic conditions and investment performance. Accordingly, the Board of Directors has approved a spending policy that allows distributions from the endowment that are equal to the greater of 6.95% of the fund value or the actual annual total endowment income, including investment appreciation. In accordance with the provisions of FUPMIFA, the spending policy allows for distributions even in situations where the original gift principal amount will not be preserved.

Endowment fund activity in 2021 and 2020 consisted of investment income of $54,546 and $50,552, respectively, all of which was appropriated for expenditure.

(11) In-Kind Contributions

In-kind contributions for the years ended December 31, 2021 and 2020 consisted of the following:

		2021	2020
Catering, food and beverage	$	88,640	25,800
Legal services		54,574	155,948
Other materials and services		10,324	21,700
	$	153,538	203,448

In-kind legal services were 100% program related and supported the Organization's LGBTQ advocacy and education efforts. Other in-kind contributions were primarily provided in connection with the Organization's "Gala Events" held at various locations around the state of Florida for purposes of educating the public regarding LGBTQ equality.

(12) Paycheck Protection Program Loan

The Organization applied for and received a second draw forgivable Paycheck Protection Program ("PPP") Loan of $494,241 as provided under the Federal Coronavirus Aid, Relief and Economic Security Act and the loan was funded in April 2021. Under the terms of the loan, the balance is forgivable to the extent the proceeds are used for certain qualified costs for the 24-week period through October 31, 2021, and that certain employment levels are maintained. To the extent a portion of the loan does not meet the criteria to be forgiven, such amount is due in April 2026 and carries an interest rate of 1%.

The Organization submitted a formal request for forgiveness and on February 18, 2022, the Organization received formal notification of forgiveness for the full balance of the loan. As a result, the Organization has recognized the full loan amount as a federal grant in the accompanying statement of activities and changes in net assets for the year ended December 31, 2021.

In 2020, the Organization applied for and received a forgivable PPP loan of $453,000. The Organization incurred qualified program costs during the requisite time frame in 2020, applied for loan forgiveness and was notified that its application was approved on May 19, 2021. The Organization has presented this loan forgiveness as a federal grant in the accompanying statement of activities and changes in net assets for the year ended December 31, 2020.

(13) Payroll Tax Credit

The CARES Act provided for an employee retention credit ("ERC"), which is a refundable tax credit against certain employment taxes of up to $5,000 per employee for eligible employers. The tax credit is equal to 50% of qualified wages paid to employees during a quarter, capped at $10,000 of qualified wages per employee through December 31, 2020.

(13) Payroll Tax Credit - Continued

Additional relief provisions were passed by the United States government, which extend and slightly expand the qualified wage caps on these credits through September 30, 2021. Based on these additional provisions, the tax credit is now equal to 70% of qualified wages paid to employees during a quarter, and the limit on qualified wages per employee has been increased to $10,000 of qualified wages per quarter and available to entities who received PPP loans. Based on the 2021 relief provisions, the Organization qualified for the tax credit in fiscal 2021 retrospectively for the calendar year 2020. The Organization has elected to apply the provisions of ASU 2018-08, *Clarifying Guidance for Contributions Received and Contributions Made (Topic 958-605)* as the relevant guidance for a not-for-profit entity for this type of conditional federal award. The Organization recognized approximately $687,200 and $157,600 related to the ERC in “Federal grants” on the Organization’s statement of activities and changes in net assets for the years ended December 31, 2021 and 2020, respectively. As of December 30, 2021 and 2020, approximately $243,700 and $157,600, respectively, are reflected as “grants receivable, current” on the statement of financial position.

(14) Risks and Uncertainties – COVID-19 Pandemic

The novel coronavirus (“COVID-19”) spread rapidly across the world in the first quarter of 2020 and was declared a pandemic by the World Health Organization in March 2020. The government and private sector responses to contain its spread began to adversely affect the broader economy and business in general in March 2020 and those impacts may continue to affect the Organization’s operations through the remainder of 2022, although such effects may vary significantly.

The actions taken to contain the pandemic by governments and private sector entities have adversely affected global economic activity and greatly contributed to significant deterioration and instability in financial markets. As a result, there has been heightened market risk and the Organization’s investment portfolio has incurred significant volatility in fair value since March 2020. Because the values of the Organization’s individual investments have and will fluctuate in response to changing market conditions, the amount of losses that will be recognized in future periods, if any, and the related impact on the Organization’s liquidity cannot be determined at this time.

(15) Subsequent Events

The Organization has evaluated subsequent events through July 18, 2022, the date the financial statements were available for issuance.