BRADBURY SULLIVAN LGBT COMMUNITY CENTER
(A Not-for-Profit Corporation)

Financial Statements and
Independent Auditor's Report

For the Year Ended December 31, 2021

CAMPBELL, RAPPOLD & YURASITS LLP
Certified Public Accountants
1033 South Cedar Crest Boulevard Allentown, PA 18103

BRADBURY SULLIVAN LGBT COMMUNITY CENTER
(A Not-for-Profit Corporation)
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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Bradbury-Sullivan LGBT Community Center
Allentown, PA

Opinion

We have audited the accompanying financial statements of Bradbury-Sullivan LGBT Community Center (a not-for-profit corporation), which comprise the statement of assets, liabilities, and net assets – modified cash basis as of December 31, 2021, and the related statements of revenue, support, and expenses and changes in net assets – modified cash basis, cash flows – modified cash basis, and functional expenses – modified cash basis for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of Bradbury-Sullivan LGBT Community Center as of December 31, 2021, and its revenue, support, and expenses and changes in net assets for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Bradbury-Sullivan LGBT Community Center and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

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Auditor's 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 auditor's 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 Bradbury-Sullivan LGBT Community Center'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 Bradbury-Sullivan LGBT Community Center'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.

Report on Summarized Comparative Information

We have previously audited Bradbury-Sullivan LGBT Community Center's 2020 financial statements, and expressed an unmodified audit opinion on those audited financial statements in our report dated May 6, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Campbell, Rappold & Yurasits LLP

May 12, 2022

BRADBURY SULLIVAN LGBT COMMUNITY CENTER
(A Not-for-Profit Corporation)
STATEMENTS OF ASSETS, LIABILITIES, AND NET ASSETS – MODIFIED CASH BASIS
December 31, 2021 and 2020

ASSETS

	December 31, 2021	December 31, 2020
CURRENT ASSETS:		
Cash and Cash Equivalents	$ 809,536	$ 487,565
Total Current Assets	809,536	487,565
Investments (Notes 3 and 7)	104,433	75,428
Property and Equipment, Net (Note 4)	478,427	475,251
TOTAL ASSETS	$ 1,392,396	$ 1,038,244

LIABILITIES AND NET ASSETS

	2021	2020
CURRENT LIABILITIES:		
Credit Card Payable	$ 27,986	$ 23,896
Current Portion of Long-Term Debt (Note 5)	-	71,048
Payroll and Other Liabilities	23,052	15,796
Total Current Liabilities	51,038	110,740
Long-Term Debt, Net of Current Portion (Note 5)	-	20,452
COMMITMENTS (NOTE 9)		
Total Liabilities	51,038	131,192
NET ASSETS:		
Without Donor Restrictions Available for Operations	1,090,525	777,091
Without Donor Restrictions and Designated by the Board of Trustees for: Endowment (Note 7)	104,433	75,428
With Donor Restrictions (Note 6)	146,400	54,533
Total Net Assets	1,341,358	907,052
TOTAL LIABILITIES AND NET ASSETS	$ 1,392,396	$ 1,038,244

See independent auditor’s report and notes to financial statements.

BRADBURY SULLIVAN LGBT COMMUNITY CENTER
(A Not-for-Profit Corporation)
STATEMENTS OF REVENUE, SUPPORT, AND EXPENSES
AND CHANGES IN NET ASSETS – MODIFIED CASH BASIS
Years Ended December 31, 2021 and 2020

	Year Ended December 31, 2021	Year Ended December 31, 2020
Changes in Net Assets Without Donor Restrictions:		
Support and Revenue:		
Contributions:		
Individual	$ 176,883	$ 161,034
Corporate	171,420	139,468
Grants:		
Foundation	264,589	152,774
Government	592,437	644,419
In-Kind Contributions	8,400	-
Sponsorship Income	138,167	50,525
Program Income	91,827	42,934
Gross Special Events Revenue	-	2,230
Less: Cost of Direct Benefits to Donors	-	(8,182)
Net Special Events Revenue	-	(5,952)
Rental Income	18,300	22,420
Miscellaneous Income	3,500	1,000
Gain on PPP Loan Extinguishment	91,500	-
Interest Income	933	1,416
Investment Return	14,005	428
Net Assets Released from Restrictions	24,533	43,286
Total Support and Revenue	1,596,494	1,253,752
Expenses:		
Program Services	967,626	725,820
Management and General	146,428	118,805
Fundraising	140,001	74,929
Total Expenses	1,254,055	919,554
Increase in Net Assets Without Donor Restrictions	342,439	334,198
Changes in Net Assets With Donor Restrictions:		
Contributions:		
Individual	15,400	-
Corporate	10,000	-
Grants:		
Foundation	91,000	25,833
Net Assets Released from Restrictions (Note 6)	(24,533)	(43,286)
Increase (Decrease) in Net Assets With Donor Restrictions	91,867	(17,453)
Increase in Net Assets	434,306	316,745
Net Assets at Beginning of Year	907,052	590,307
Net Assets at End of Year	$ 1,341,358	$ 907,052

See independent auditor’s report and notes to financial statements.

BRADBURY SULLIVAN LGBT COMMUNITY CENTER
(A Not-for-Profit Corporation)
STATEMENTS OF CASH FLOWS – MODIFIED CASH BASIS
Years Ended December 31, 2021 and 2020

	Year Ended December 31, 2021	Year Ended December 31, 2020
Cash Flows from Operating Activities:		
Change in Net Assets	$ 434,306	$ 316,745
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	12,558	11,686
Extinguishment of Debt (PPP)	(91,500)	-
Unrealized Gain on Investments	(14,005)	(428)
Increase in Credit Card Payable	4,090	4,589
Increase in Payroll and Other Liabilities	7,256	2,981
Contributions/Grants Restricted for for Capital Improvements	(70,400)	-
Net Cash Provided by Operating Activities	352,705	335,573
Cash Flows from Investing Activities:		
Purchases of Investments	(15,000)	(75,000)
Purchase of Property and Equipment	(15,734)	(10,020)
Net Cash Used by Investing Activities	(30,734)	(85,020)
Cash Flows from Financing Activities:		
Contributions/Grants for Capital Improvements	70,400	-
Proceeds from Borrowings	-	91,500
Net Cash Provided by Financing Activities	-	91,500
Net Increase in Cash and Cash Equivalents	321,971	342,053
Cash and Cash Equivalents at Beginning of Year	487,565	145,512
Cash and Cash Equivalents at End of Year	$ 809,536	$ 487,565
Supplemental Data:		
Stock Donations Received	$ 7,889	$ 9,946
In-Kind Rent	$ 8,400	$ -

See independent auditor’s report and notes to financial statements.

BRADBURY SULLIVAN LGBT COMMUNITY CENTER
(A Not-for-Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS
For the Year Ended December 31, 2021
With Summarized Comparative Totals for the Year Ended December 31, 2020

	Program Services				
	Arts	Data and Research	Health	Youth	Training
Salaries and Wages	$ 124,487	$ 51,494	$ 208,063	$ 58,974	$ 36,464
Employee Benefits	17,574	7,270	29,372	8,325	5,148
Payroll Taxes	11,379	4,707	19,018	5,391	3,333
Direct Program Expenses	94,104	53,343	129,279	4,971	1,412
Advertising and Promotion	1,171	780	1,171	390	390
Office Expenses	4,064	-	7,314	4,063	813
Printing and Copying	1,355	1,355	1,355	1,355	1,355
Dues and Subscriptions	1,165	-	1,165	1,165	1,165
Insurance	3,313	-	3,313	3,313	3,313
Facility Repairs and Maintenance	4,351	-	2,486	4,350	1,243
Utilities	4,146	-	2,369	4,146	1,184
Rent	8,400	-	-	-	-
Professional Development	532	1,861	1,861	532	532
Board Development	-	-	-	-	-
Professional Fees	-	-	-	-	-
Travel	86	346	692	86	519
Volunteers	30	-	29	-	-
Impervious Surface Tax	26	-	26	25	25
Cost of Direct Benefits to Donors	-	-	-	-	-
Depreciation Expense	2,198	-	2,198	2,198	2,198
Total Expenses by Function	278,381	121,156	409,711	99,284	59,094
Less Expenses Included Within Revenues on the Statements of Revenue, Support, and Expenses and Changes in Net Assets:					
Cost of Direct Benefits to Donors	-	-	-	-	-
	$ 278,381	$ 121,156	$ 409,711	$ 99,284	$ 59,094

See independent auditor's report and notes to financial statements.

BRADBURY SULLIVAN LGBT COMMUNITY CENTER
(A Not-for-Profit Corporation)
STATEMENT OF FUNCTIONAL EXPENSES – MODIFIED CASH BASIS (Continued)
For the Year Ended December 31, 2021
With Summarized Comparative Totals for the Year Ended December 31, 2020

Total Program Services	Management and General	Fundraising	Total 12/31/2021	Total 12/31/2020
$ 479,482	$ 72,540	$ 107,998	$ 660,020	$ 461,568
67,689	10,240	15,246	93,175	70,651
43,828	6,631	9,872	60,331	40,403
283,109	-	-	283,109	230,172
3,902	-	-	3,902	3,384
16,254	6,752	2,000	25,006	12,348
6,775	2,607	1,044	10,426	4,112
4,660	2,532	980	8,172	6,819
13,252	4,735	947	18,934	15,067
12,430	4,143	-	16,573	16,776
11,845	4,230	846	16,921	15,671
8,400	-	-	8,400	-
5,318	296	295	5,909	7,109
-	983	-	983	559
-	26,927	-	26,927	22,588
1,729	617	124	2,470	227
59	-	-	59	234
102	56	22	180	180
-	-	-	-	8,182
8,792	3,139	627	12,558	11,686
967,626	146,428	140,001	1,254,055	927,736
-	-	-	-	(8,182)
$ 967,626	$ 146,428	$ 140,001	$ 1,254,055	$ 919,554

See independent auditor's report and notes to financial statements.

1. Summary of Significant Accounting Policies

Nature of Business

The Bradbury-Sullivan LGBT Community Center (the "Center") is a not-for-profit corporation incorporated under the laws of the Commonwealth of Pennsylvania in 2004 as the Pennsylvania Diversity Network. In 2014, the corporation amended its articles of incorporation and its state registration to change its name to the current one. The Center provides programming, outreach, and other services to strengthen and support the LGBT community of the greater Lehigh Valley. The Center receives its support primarily through community contributions.

Basis of Accounting

The financial statements of the Center have been prepared on the modified cash basis of accounting. Accordingly, revenue is recorded when received rather than when earned and expenses are recorded when paid rather than when the obligation is incurred. Modifications to the cash basis of accounting include the recognition of land, building, and equipment assets and related depreciation expense and the recording of related mortgage debt, credit card activity, and PPP loan through the Small Business Administration. The modified cash basis of accounting is a comprehensive basis of accounting other than generally accepted accounting principles.

Basis of Presentation

The Center is required to report information regarding its financial position and activities according to two classes of net assets. Net assets are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor or certain grantor restrictions. Net assets without donor restrictions may be designated for specific purposes by the action of the Board of Trustees.

Net Assets With Donor Restrictions – Net assets subject to donor or certain grantor-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 a restriction expires that is when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Income Taxes

The Center is a not-for-profit corporation that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and none of its present or anticipated future activities are subject to taxation as unrelated business income. Therefore, no provision for income taxes has been made in the accompanying financial statements.

1. Summary of Significant Accounting Policies (Continued)

Income Taxes (Continued)

The accounting standard for uncertainty in income taxes addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under that guidance, the Center may recognize the tax benefits from an uncertain tax position only if it is more likely than not that the tax position will be sustained on examination by taxing authorities based on the technical merits of the position. Examples of tax positions include the tax-exempt status of the Center and various positions related to the potential sources of unrelated business taxable income (UBIT). The tax benefits recognized in the financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate settlement. There were no unrecognized tax benefits identified or liabilities recorded for the years ended December 31, 2021 and 2020.

The Center files Federal Form 990, *Return of Organization Exempt from Tax*, with the United States Internal Revenue Service and with the Bureau of Charitable Organizations in Pennsylvania.

Use of Estimates

The preparation of financial statements in conformity with the modified cash basis of accounting 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 revenues and expenses during the reporting period. Actual results could differ from those estimates.

Contribution and Expense Recognition

The Center recognizes contributions, grant revenue, and sponsorship income when cash, securities, or other assets are received from the donor or recipient of services.

Revenues are reported as increases in net assets without donor restriction unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restriction. Gains and losses on disposal of assets are reported as increases or decreases in net assets without donor restriction unless their use is restricted by explicit donor stipulation or by law. Expirations of donor-imposed restrictions on net assets by fulfillment of the donor-stipulated purposes or by passage of the stipulated time period are reported as reclassifications between the applicable classes of net assets.

Contributed Services

The Center receives a substantial amount of volunteer services donated by its members in carrying out its mission. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition.

1. Summary of Significant Accounting Policies (Continued)

Revenue from Contracts with Customers

The Center's revenue from contracts with customers is recognized within Training and Presentation Income, Special Events Revenue, and Rental Income. Each revenue segment is described as follows:

- **Training and Presentation Income:** The Center earns revenue from providing various trainings and presentations. Revenues from these services are recorded when cash is received from the customer.
- **Special Events Revenue:** The Center organizes an annual fundraising event which includes a dinner. Revenue from the special event is recorded when cash is received from the sponsors and/or dinner attendees. Special events revenues are recorded as contributions to the extent that the price of attendance exceeds the costs of the dinner.
- **Rental Income:** The Center leases part of its facility to not-for-profit corporations with similar missions. Revenues from the rental of space is recorded when cash is received from the tenants.

Allocation of Expenses by Function

As reported in the Statement of Functional Expenses – Modified Cash Basis, expenses of the Center have been allocated to the following functional reporting classifications:

Program Services – Program service expenses include costs incurred for activities that ultimately result in the delivery of services that fulfill the Center's charitable purposes.

Management and General – Management and general expenses include costs incurred for the overall direction of the Center, general record keeping, business management, budgeting, general board activities, and related purposes.

Fundraising – Fundraising expenses include costs incurred for activities that ultimately result in inducing potential donors to contribute money, securities, services, materials, facilities, other assets, or time. Fundraising activities include publicizing and conducting fund raising campaigns, maintaining donor mailing lists, conducting special fundraising events, and conducting other activities involved with soliciting contributions from individuals, foundations, governments, and others.

The Center's methods for allocating expenses among the functional reporting classifications which cannot be specifically identified as program or supporting service are based on estimates made for time spent by key personnel between functions, space occupied by function, consumption of supplies and postage by function, and other objective bases.

1. Summary of Significant Accounting Policies (Continued)

Cash and Cash Equivalents

For purposes of reporting cash and cash equivalents, cash is defined as cash on hand and checking and savings accounts at financial institutions. Investments with an original maturity of three months or less are considered cash and cash equivalents for these purposes. Accounts at banks are insured by the Federal Deposit Insurance Corporation (FDIC) up to $250,000. Amounts on deposit at various times throughout the year may exceed federal insured limits. As of December 31, 2021, the Center had $255,959 in excess of federally insured limits on deposit at one bank. Historically, the Center has not experienced any credit related losses.

Investments

Investments are reported at their fair values in the Statements of Assets, Liabilities and Net Assets – Modified Cash Basis. Unrealized gains and losses are reported as increases (decreases) in net assets without donor restrictions unless restricted by donors.

Property and Equipment

Property and equipment is stated at cost. Depreciation is computed by use of the straight-line method based on estimated useful lives. The Center capitalizes all items with a value greater than $500 and an estimated useful life greater than one year. Routine repairs and maintenance are expensed as incurred.

	Years
Building and Building Improvements	39
Furniture and Equipment	5-7

Accounting for Paycheck Protection Program (PPP)

The Center may account for a Paycheck Protection Program (PPP) loan as a financial liability in accordance with FASB ASC Topic 470, Debt, or under other models, if certain conditions are met. If the Center expects to meet the PPP's eligibility criteria and concludes that the PPP loan represents, in substance, a grant that is expected to be forgiven, the Center may account for the PPP loan in accordance with ASC Subtopic 958-605 as a conditional contribution. The Center elected the debt method. Under this method, the Organization recorded a debt liability on the Statements of Assets, Liabilities and Net Assets – Modified Cash Basis and recognized revenue from extinguishment of debt once forgiveness was determined by the United States Small Business Administration. As of December 31, 2021, the PPP loan was forgiven as discussed in Note 5.

Reclassification

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

1. Summary of Significant Accounting Policies (Continued)

Subsequent Events

Economic uncertainties have arisen as a result of the global pandemic due to the spread of the COVID-19 coronavirus. The pandemic has the potential to have a significant impact on all aspects of the Center's operations. The full extent of the economic impact on the Center is unknown at this time.

Management has evaluated subsequent events through May 12, 2022, the date on which the financial statements were available to be issued.

2. Liquidity and Availability

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the date of the Statements of Assets, Liabilities, and Net Assets – Modified Cash Basis, consist of the following:

	December 31,	
	2021	2020
Cash and Cash Equivalents	$ 809,536	$ 487,565
Less: Net Assets With Donor Restrictions	(146,400)	(54,533)
	$ 663,136	$ 433,032

The Center is supported mainly by grants and contributions. The Center believes that grants and contributions along with the assets held at December 31, 2021, are sufficient to enable the Center to continue to operate for the upcoming year.

3. Fair Value Measurements

Financial Accounting Standards Board ASC 820-10, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. 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 unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820-10 are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Center has the ability to access.

Level 2 Inputs to the valuation methodology include:

· Quoted prices for similar assets or liabilities in active markets;
· Quoted prices for identical or similar assets or liabilities in inactive markets;
· Inputs other than quoted prices that are observable for the asset or liability;
· Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 Inputs to the valuation methodology are unobservable, are significant to the fair value measurement and include management's judgments about the assumptions market participants would use in pricing the asset or liability.

3. Fair Value Measurements (Continued)

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Investments classified within Level 3 whose fair value measurements consider several inputs may include Level 1 and/or Level 2 inputs as components of the overall fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2021.

Invested with Lehigh Valley Community Foundation: Measured at the reported value by the Foundation, which approximates fair value. The Center does not receive details of the Foundation's investment composition.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Center believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Center's assets at fair value as of December 31, 2021 and 2020 respectively:

	Assets at Fair Value as of December 31,			
2021	**Level 1**	**Level 2**	**Level 3**	**Total**
Invested with Lehigh Valley Community Foundation	$ -	$ 104,433	$ -	$ 104,433
Total Assets at Fair Value	$ -	$ 104,433	$ -	$ 104,433
2020				
Invested with Lehigh Valley Community Foundation	$ -	$ 75,428	$ -	$ 75,428
Total Assets at Fair Value	$ -	$ 75,428	$ -	$ 75,428

4. Property and Equipment

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

	December 31, 2021	December 31, 2020
Land	$ 34,000	$ 34,000
Building and Building Improvements	443,715	428,880
Furniture and Equipment	8,054	7,155
Construction in Progress	59,000	59,000
	544,769	529,035
Less: Accumulated Depreciation	(66,342)	(53,784)
	$ 478,427	$ 475,251

Depreciation charged to expense was $12,558 and $11,686 for the years ended December 31, 2021 and 2020, respectively.

5. Long-Term Debt

Long-term debt consists of the following:

	December 31, 2021	December 31, 2020
1.00% Note Payable to a Bank Through the Paycheck Protection Program Backed by the United States Small Business Administration The Note is Forgiveable Under Certain Circumstances; Repayment Terms of the Note, if Not Forgiven, Would be Eighteen (18) Monthly Payments of $5,124, Including Interest From November 2020 Through April 2022.	$ -	$ 91,500
Less: Current Portion	-	(71,048)
	$ -	$ 20,452

On February 3, 2021, the Center was notified by its lender and the United States Small Business Administration that it had received loan forgiveness in its entirety. Gain on PPP loan extinguishment for the year ended December 31, 2021, in the amount of $91,500, is recorded in the current year Statements of Revenue, Support, and Expenses and Changes in Net Assets – Modified Cash Basis.

6. Net Assets With Donor Restrictions

Net assets with donor restrictions consist of the following:

	December 31, 2021	December 31, 2020
Health Programs to be Held in 2021	$ -	$ 24,033
Health Programs to be Held in 2022	21,000	-
Education and Awareness	10,000	-
Film Programs	5,000	500
Community Supportive Services	10,000	-
Capital Projects	100,400	30,000
	$ 146,400	$ 54,533

The source of net assets released from restrictions by incurring expenses satisfying the restricted purposes or by occurrence of events specified by the donor were as follows:

	Year Ended December 31, 2021	Year Ended December 31, 2020
Health Programs to be Held in 2020	$ -	$ 22,000
Health Programs to be Held in 2021	24,033	-
Organization Effectiveness	-	10,000
Pride Night at the Phantoms	-	350
Film Programs	500	5,936
Transgender Programs	-	5,000
	$ 24,533	$ 43,286

7. Endowment Fund

The Center's endowment consists of one fund established during the year ended December 31, 2020, to support the mission of the Center through the withdrawal of income as determined by the Board of Directors. As required by the modified cash basis of accounting, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

The Center has interpreted the laws of the Commonwealth of Pennsylvania as requiring the preservation of the fair value of the original gift as of the gift date of the board-designated endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Center classifies as net assets without donor restrictions the original value of gifts designated to the endowment and the original value of subsequent gifts to the endowment.

Endowment Return Objectives, Risk Parameters and Strategies and Spending Policy

The Center has deposited the endowment funds with Lehigh Valley Community Foundation. The Foundation is responsible for the prudent investment of funds and determining the amount of funds distributable. The Foundation has been granted variance power, therefore, the return objectives, risk parameters, strategies and spending policy is removed from the Center.

Endowment net asset composition as of December 31, 2021 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment Funds	$ 104,433	$ -	$ 104,433
	$ 104,433	$ -	$ 104,433

Changes in endowment net assets as of December 31, 2021 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of Year	$ 75,428	$ -	$ 75,428
Investment Return, Net	14,005	-	14,005
Additions	15,000	-	15,000
Appropriation of Net Assets for Expenditure	-	-	-
End of Year	$ 104,433	$ -	$ 104,433

7. Endowment Fund (Continued)

Endowment net asset composition as of December 31, 2020 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Board Designated Endowment Funds	$ 75,428	$ -	$ 75,428
	$ 75,428	$ -	$ 75,428

Changes in endowment net assets as of December 31, 2020 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Beginning of Year	$ -	$ -	$ -
Investment Return, Net	428	-	428
Additions	75,000	-	75,000
Appropriation of Net Assets for Expenditure	-	-	-
End of Year	$ 75,428	$ -	$ 75,428

8. Retirement Plan

The Center participates in a discretionary SEP IRA Plan for all employees who are at least twenty-one years of age with at least one year of service for the Center and earnings of $450 or more during the Plan year. Under the Plan, the Center contributes 3% of the employee's base compensation. Employer contributions to the Plan were $18,006 and $11,598 for the years ended December 31, 2021 and 2020, respectively.

9. Commitments

The Center previously leased a copier under a 5-year, non-cancellable term, which expired on December 31, 2021. The Center extended the lease for a period of one year through December 31, 2022. The lease calls for monthly payments of $268, for the next 12 months, with an option to cancel with advance notice. The expense related to the lease was $3,000 and $2,808 during the years ended December 31, 2021, and 2020, respectively.

The following is a schedule of future minimum rental payments required under the above non-cancellable operating lease:

Year ended December 31,		
2022	$	3,211

10. Summarized Totals For Year Ended December 31, 2020

The financial statements include certain prior year summarized comparative information in total, but not by function or net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with the modified cash basis of accounting. Accordingly, such information should be read in conjunction with the financial statements for the year ended December 31, 2020, from which the information was derived.