

**GAY AND LESBIAN COMMUNITY CENTER  
OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER  
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED JUNE 30, 2020**

**(WITH COMPARATIVE TOTALS FOR THE  
YEAR ENDED JUNE 30, 2019)**

**Together with Independent Auditors' Report**

**GAY AND LESBIAN COMMUNITY CENTER OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER**

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Ruotolo, Spewak & Co.  
COMMITTED TO CLIENT SERVICE

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Senior Manager:

Melissa Hofmann, MAcc

**INDEPENDENT AUDITORS' REPORT**

To: Board of Directors  
Gay and Lesbian Community Center of Philadelphia, Inc.  
T/A William Way LGBT Community Center

We have audited the accompanying financial statements of Gay and Lesbian Community Center of Philadelphia, Inc. T/A William Way LGBT Community Center (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020, and the related statements of activities, statement of functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

***Management's Responsibility for the Financial Statements***

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

***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with 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 of 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.

(1)

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gay and Lesbian Community Center of Philadelphia, Inc. T/A William Way LGBT Community Center as of June 30, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Report on Summarized Comparative Information***

We have previously audited the financial statements of Gay and Lesbian Community Center of Philadelphia, Inc. T/A William Way LGBT Community Center for the year ended June 30, 2019, and our report dated May 13, 2020, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2019, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Nuvotolo, Spruck & Co*

Mount Laurel, NJ  
April 13, 2021

**GAY AND LESBIAN COMMUNITY CENTER OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER**

**STATEMENT OF FINANCIAL POSITION AS OF JUNE 30, 2020**

**(WITH COMPARATIVE TOTALS AS OF JUNE 30, 2019)**

	<u>2020</u>	<u>2019</u>
<b><u>ASSETS</u></b>		
<b><u>CURRENT ASSETS</u></b>		
Cash	\$ 545,829	\$ 230,402
Grants and contributions receivable	410,649	181,516
Pledges receivable, current portion	36,575	36,825
Prepaid expenses	9,848	15,155
Total current assets	<u>1,002,901</u>	<u>463,898</u>
<b><u>FIXED ASSETS</u></b>		
Property, furniture and equipment, net	<u>755,045</u>	<u>737,645</u>
<b><u>OTHER ASSETS</u></b>		
Pledges receivable, net of current portion and discount	54,682	91,257
Tenant security deposits	6,911	5,198
Total current assets	<u>61,593</u>	<u>96,455</u>
Total assets	<u>\$1,819,539</u>	<u>\$1,297,998</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b><u>CURRENT LIABILITIES</u></b>		
Accounts payable	\$ 57,556	\$ 2,774
Loan payable – SBA	145,561	-
Lines of credit	150,000	267,682
Deferred revenue	1,030	8,570
Total current liabilities	<u>354,147</u>	<u>279,026</u>
<b><u>LONG-TERM LIABILITIES</u></b>		
Tenant security deposits	<u>6,911</u>	<u>10,784</u>
Total liabilities	<u>361,058</u>	<u>289,810</u>
<b><u>NET ASSETS</u></b>		
Net assets without donor restrictions	815,171	580,912
Net assets with donor restrictions	643,310	427,276
Total net assets	<u>1,458,481</u>	<u>1,008,188</u>
Total liabilities and net assets	<u>\$1,819,539</u>	<u>\$1,297,998</u>

See accompanying notes which are an integral part of these financial statements.

**GAY AND LESBIAN COMMUNITY CENTER OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER**

**STATEMENT OF ACTIVITIES**

**FOR THE YEAR ENDED JUNE 30, 2020**

**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)**

	Without Donor Restrictions	With Donor Restrictions	2020 Total	2019 Total
<b><u>REVENUE AND SUPPORT</u></b>				
Contributions	\$ 787,509	\$ 70,000	\$ 857,509	\$ 411,067
Foundation grants	183,249	450,281	633,530	245,658
Government grants	41,792	-	41,792	64,184
United Way	19,865	-	19,865	31,833
Building reimbursement revenue	134,903	-	134,903	147,144
In-kind contributions	92,574	-	92,574	110,747
Event income, net	174,213	-	174,213	353,975
Program income	5,883	-	5,883	4,518
Interest	67	-	67	32
Net assets released from restrictions:				
Satisfaction of program restrictions	<u>304,247</u>	<u>(304,247)</u>	<u>-</u>	<u>-</u>
Total revenue and support	<u>1,744,302</u>	<u>216,034</u>	<u>1,960,336</u>	<u>1,369,158</u>
<b><u>PROGRAM EXPENSES</u></b>				
Program services	<u>1,181,547</u>	<u>-</u>	<u>1,181,547</u>	<u>1,056,825</u>
<b><u>SUPPORT SERVICES</u></b>				
Management and general services	179,246	-	179,246	123,083
Fundraising	149,250	-	149,250	125,277
Total support services	<u>328,496</u>	<u>-</u>	<u>328,496</u>	<u>248,360</u>
Total expenses	<u>1,510,043</u>	<u>-</u>	<u>1,510,043</u>	<u>1,305,185</u>
Change in net assets	234,259	216,034	450,293	63,973
Net assets, beginning of fiscal year	<u>580,912</u>	<u>427,276</u>	<u>1,008,188</u>	<u>944,215</u>
Net assets, end of fiscal year	<u>\$815,171</u>	<u>\$643,310</u>	<u>\$1,458,481</u>	<u>\$1,008,188</u>

See accompanying notes which are an integral part of these financial statements.

**GAY AND LESBIAN COMMUNITY CENTER OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER**

**STATEMENT OF FUNCTIONAL EXPENSES**

**FOR THE YEAR ENDED JUNE 30, 2020**

**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)**

	Program Services	Management and General Services	Fundraising	2020 Total Expenses	2019 Total Expenses
Payroll	\$ 512,448	\$ 65,698	\$ 78,838	\$ 656,984	\$ 626,567
Payroll – in-kind (volunteer hours)	92,574	-	-	92,574	110,747
Payroll taxes and fringes	79,528	10,196	12,235	101,959	110,223
Advertising and marketing	307	22	110	439	288
Bad debt	-	32,863	-	32,863	11,670
Bank and credit card charges	827	15,704	-	16,531	9,930
Building repairs and maintenance	98,442	5,181	-	103,623	79,561
Insurance	23,955	3,833	4,152	31,940	25,759
Interest	14,917	2,387	2,586	19,890	11,050
Office supplies	4,236	678	734	5,648	4,929
Postage	781	156	2,187	3,124	2,023
Printing	1,498	214	2,568	4,280	8,560
Professional fees	183,696	27,791	30,107	241,594	129,079
Program expenses	77,567	-	-	77,567	58,637
Staff training	4,500	720	780	6,000	150
Telephone	10,206	1,633	1,769	13,608	13,179
Travel	26,482	4,237	4,590	35,309	35,525
Depreciation	49,583	7,933	8,594	66,110	67,308
Total expenses	<u>\$1,181,547</u>	<u>\$179,246</u>	<u>\$149,250</u>	<u>\$1,510,043</u>	<u>\$1,305,185</u>

See accompanying notes which are an integral part of these financial statements.

**GAY AND LESBIAN COMMUNITY CENTER OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER**

**STATEMENT OF CASH FLOWS**

**FOR THE YEAR ENDED JUNE 30, 2020**

**(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2019)**

	<u>2020</u>	<u>2019</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$450,293	\$ 63,973
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Bad debt expense	32,863	11,670
Depreciation	66,110	67,308
Decrease (increase) in assets:		
Grants and contributions receivable	(261,996)	16,491
Pledges receivable	36,825	(128,082)
Prepaid expenses	5,307	(7,855)
Tenant security deposits	(1,713)	4,675
Increase (decrease) in liabilities:		
Accounts payable	54,782	(17,174)
Deferred revenue	(7,540)	3,420
Tenant security deposits	(3,873)	(400)
Net cash provided by operating activities	<u>371,058</u>	<u>14,026</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
(Purchases) of property, furniture and equipment	<u>(83,510)</u>	<u>(60,301)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Net proceeds from loan payable – SBA	145,561	-
Net proceeds (payments) from lines of credit	<u>(117,682)</u>	<u>59,106</u>
Net cash provided by financing activities	<u>27,879</u>	<u>59,106</u>
Net change in cash	315,427	12,831
Cash, beginning of fiscal year	<u>230,402</u>	<u>217,571</u>
Cash, end of fiscal year	<u>\$545,829</u>	<u>\$230,402</u>

See accompanying notes which are an integral part of these financial statements.



**GAY AND LESBIAN COMMUNITY CENTER OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER**

**NOTES TO FINANCIAL STATEMENTS**

**1) ORGANIZATION AND PROGRAMS**

The William Way LGBT Community Center (the Center) was incorporated in the Commonwealth of Pennsylvania on January 9, 1975. The Center seeks to encourage, support, and advocate for the well-being and acceptance of sexual and gender minorities through service, recreational, educational, and cultural programming. The Center's support and revenue comes primarily from contributions and grants and program revenue.

The Center is open to the public 365 days a year and provides services to lesbian, gay, bisexual & transgender (LGBT) youth, adults and elders and their allies in the following program areas:

**Health & Welfare**

The Center provides free peer counseling each evening of the week both on the phone and in person. In addition, LGBT friendly therapists who are tenants of the Center provide one-on-one and group therapy. HIV and STD testing are offered by partner organizations. Each day, multiple twelve step meetings are also hosted at the Center. The Center also provides programming for spiritual wellness through talks, small discussion groups, and networking events.

**Arts & Culture**

The Center provides regular art exhibitions, a library, and an archive of LGBT history and culture; performances of spoken word and other performance art; and a ballroom space where local choirs and musical groups rehearse and perform. The Center hosts and supports arts programs in partnership with local theater, dance, and other performing arts companies that promote LGBT arts and culture.

**Education, Information & Referral**

The Center's resource referral program includes regularly updated information about resources available for community members and allies. In addition, the Center provides educational classes and tours for school groups, organizations, and others seeking to learn more about LGBT community and culture. A David Bohnett Cybercenter provides access to computers, and the Center's lobby has free wireless internet access. The Cybercenter is also available to be used for trainings by other community-based organizations.

**GAY AND LESBIAN COMMUNITY CENTER OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER**

**NOTES TO FINANCIAL STATEMENTS**

**1) ORGANIZATION AND PROGRAMS (CONTINUED)**

Senior Services

The Center offers discussion groups, cultural activities, and educational presentations for LGBT seniors on a variety of topics. Senior groups help reduce social isolation while promoting lifelong learning and access to a wealth of local resources. The Center also provides programming to the John C. Anderson Apartments, an LGBT-friendly residence for seniors with restricted incomes, one of the first LGBT-friendly senior housing complexes in the US. The Center also conducts cultural competency trainings to local health and human service workers to improve LGBT healthcare quality and access.

LGBT Refugees

In 2017, The Center began a partnership with HIAS PA to provide welcoming services to LGBT immigrants, refugees and asylum seekers from all backgrounds. Through this partnership we have been able to welcome those newly arrived from around the world - connecting them with local LGBT affirming resources, social opportunities, and community.

Social & Recreational

The Center provides group activities including bridge, chess, mahjong, hiking, movie nights, a writers' collective, book club, and yoga and meditation classes.

Venue Services

The Center's large facility allows mission-aligned local and national groups, organizations, and solo practitioners to rent space at below-market costs. The venue includes six meeting rooms, a ballroom, and numerous small offices. The Center's space sharing program also provides free space for grassroots community groups and others providing services that provide direct benefit to the Center's constituents.

**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting

The financial statements of the Center have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

**GAY AND LESBIAN COMMUNITY CENTER OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

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 without donor restrictions and net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Income Taxes

The Center is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Center qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). Accordingly, no provision for income taxes is provided.

The Center has reviewed tax positions taken in filings with federal and state jurisdictions and believes those positions would be sustained should the filings be examined by the relevant taxing authority. For federal income tax purposes, the returns remain open for possible examination three years after they are filed. The Center's policy is to recognize interest and penalties on unrecognized tax benefits in other expense in the statement of activities. No interest and penalties were recorded during the year ended June 30, 2020.

Property, Furniture and Equipment

Property, furniture and equipment is stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets. The Center's policy requires capitalization of purchased assets with a cost greater than \$1,000 and donated assets with an estimated fair value at the date of the contribution of over \$1,000.

**GAY AND LESBIAN COMMUNITY CENTER OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

2) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Accounts, Grants and Pledges Receivable

Accounts, grants, and pledges receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a provision for bad debt expense and an adjustment to a valuation allowance based on its assessment of the current status of individual receivables from grants and contracts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to the applicable receivable changes. At June 30, 2020, no allowance was necessary. The discounts on pledges receivable are computed using a risk-free interest rate applicable to the year in which the contribution is made. Amortization of the discount is included in contribution revenue.

Restricted and Unrestricted Revenue

Donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the Statement of Activities as net assets released from restrictions.

In-Kind Contributions

Donated services are recognized as contributions if the services (a) create or enhance non financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Center.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited. For salaries, taxes, and benefits, allocations are decided on an individual basis, based on the functions of each position. These allocations may be updated on a periodic basis based on the evolving responsibilities of a position, and by nature some positions will be split across multiple functions while others will be more compartmentalized. Expenses are allocated on the basis of time and effort percentages unless directly incurred by one function receiving the benefit.

Subsequent Events

Subsequent events have been evaluated through April 13, 2021, the date that the financial statements were available to be issued.

**GAY AND LESBIAN COMMUNITY CENTER OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Prior-Year Summarized Comparative Information**

The financial statements include certain prior year summarized comparative information in total but not by fund or by entity. 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 Organizations' financial statements for the year ended June 30, 2019, from which the summarized information was derived.

**Recently Issued Accounting Pronouncements**

On June 21, 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2018-08 which was intended to clarify and improve the scope and the accounting guidance for contributions received and made, primarily for not-for-profit organizations. The new guidance should assist entities in the evaluation of whether transactions should be accounted for as contributions within the scope of Topic 958 or as an exchange subject to Topic 606, as well as determining whether a contribution is conditional. The standard was effective for fiscal years beginning after December 15, 2018. The adoption of this standard and Topic 606 had no effect on the current financial statement.

**3) CONCENTRATION OF CREDIT RISK**

The Center has deposits in various commercial banks. Accounts at each institution are insured by the Federal Deposit Insurance Corporation (FDIC insured) up to \$250,000. At times throughout the year, cash balances in these banks may exceed federal depository insurance coverage due to working capital or other needs. The Center believes it is not exposed to any significant credit risk on its cash balances.

**4) GRANTS, CONTRACTS AND CONTRIBUTIONS RECEIVABLE**

All grants, contracts and contributions receivable are all expected to be collected within one year.

**GAY AND LESBIAN COMMUNITY CENTER OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**5) PLEDGES RECEIVABLE**

The Center has received multi-year pledges to be collected during the following years:

2021	\$36,575
2022	36,025
2023	34,925
Less: Discount on pledges receivable	<u>(16,268)</u>
	91,257
Less: current portion	<u>(36,575)</u>
	<u>\$54,682</u>

**6) PROPERTY, FURNITURE AND EQUIPMENT**

Property, furniture and equipment consists of the following at June 30, 2020:

Land	\$ 150,000
Building	233,792
Building renovations and improvements	818,391
Computer equipment	25,470
Construction in progress	17,496
Building equipment	558,350
Furniture and fixtures	<u>70,466</u>
	1,873,965
Less: Accumulated depreciation	<u>(1,118,920)</u>
	<u>\$755,045</u>

**7) LOAN PAYABLE – SBA**

During the year ended June 30, 2020, the Center received an unsecured loan payable from the United States Small Business Administration Paycheck Protection Program in the amount of \$145,561. Any balance of the loan that is not forgiven is payable over a two-year term at an interest rate of 1%. Loan payments are deferred for six months upon receipt. Loan forgiveness is based on incurring eligible payroll and related expenses during the forgiveness period. If the eligible expenses equal or exceed the amount of the

loan, the loan could be eligible to be forgiven in full. The Center expects to apply for loan forgiveness during the year ended June 30, 2021.

**GAY AND LESBIAN COMMUNITY CENTER OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**8) LINES OF CREDIT**

The Center maintains a \$300,000 line of credit with a bank of which none was outstanding at June 30, 2020. The line of credit carries an interest rate of Prime plus .25% but no less than 5%. Prime was 3.25% at June 30, 2020. As such, the interest rate charged on the loan is 3.50% payable on a monthly basis. The note was due and payable in full, including all principal and accrued interest, on demand, but no later than July 31, 2020 and was not renewed at that time.

The Center also maintains a \$150,000 line of credit with a bank of which \$150,000 was outstanding at June 30, 2020. The line of credit carries an interest rate of 5% payable on a monthly basis. The note shall be due and payable in full, including all principal and accrued interest, on demand, but no later than July 31, 2021.

**9) NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions are available for the following programs at June 30, 2020:

Archives	\$298,387
Community connections	10,000
Community safety trainings	1,000
Endowment fund	178,659
Fundraising	5,000
IBA Transwork	10,000
Senior services	1,175
Space sharing	8,000
Subsequent years' operations from pledges	121,257
Trans leadership	9,832
	<u>\$643,310</u>

**GAY AND LESBIAN COMMUNITY CENTER OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**10) SATISFACTION OF PROGRAM RESTRICTIONS**

Net assets were released from donor-restrictions by incurring expense satisfying the restricted purposes specified by the donors. Purpose restrictions accomplished for the year ended June 30, 2020 were:

Archives	\$123,450
Dr. Anonymous	12,500
Endowment fund	11,070
General operations from pledges	44,325
Fundraising	63,750
Senior services	36,984
Space sharing	2,000
Trans leadership	5,168
Trans wellness	5,000
	<u>\$304,247</u>

**11) BUILDING REIMBURSEMENT REVENUE**

The Center provides office space under shared space agreements to organizations which expire at various times during the year. The terms ranged from one to three years, with the option of renewal at the end of the agreement. The revenue earned under these agreements has been included as building reimbursement revenue in the accompanying statement of activities.

Future minimum reimbursements excluding utilities under the agreements are as follows:

Year ending	
<u>June 30,</u>	
- 2021	<u>\$33,984</u>

**12) IN-KIND CONTRIBUTIONS**

The value of donated services included as contributions in the accompanying financial statements and the corresponding expenses for the year ended June 30, 2020 are as follows:

Payroll – in-kind (volunteer hours)	<u>\$92,574</u>
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**GAY AND LESBIAN COMMUNITY CENTER OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**13) OPERATING LEASE**

The Center leases equipment under an operating lease through July 31, 2024. Rental expense for this lease amounted to \$8,220 for the year ended June 30, 2020.

Future minimum payments under the agreement are as follows:

Year ending June 30,	
2021	\$ 8,220
2022	8,220
2023	8,220
2024	<u>685</u>
	<u>\$25,345</u>

**14) EMPLOYEE BENEFIT PLAN**

The Center has arranged for all employees to participate in a 403(b) qualified salary deferral plan. Employees voluntarily participate and make any and all contributions on a pre-tax basis. The Center makes no contributions to this plan.

**15) ENDOWMENT FUND**

Included in the financial activity presented herein, the Center has funds maintained at a foundation valued at \$178,659 as of June 30, 2020. These funds represent bequests and gifts designated for the Center from two generous community donors and are invested in accordance with the donors' wishes. Distributions of income and principal are made when funds are disbursed to the Center and are treated as releases from restrictions. During the year ended June 30, 2020, the Center received net proceeds of \$11,070 from the endowment fund.

**GAY AND LESBIAN COMMUNITY CENTER OF PHILADELPHIA, INC.**

**T/A WILLIAM WAY LGBT COMMUNITY CENTER**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)**

**16) EVENT INCOME, NET**

The value of event income, net of cost of direct benefits to donors for the year ended June 30, 2020 is as follows:

Event income	<u>\$214,282</u>
Less direct benefits to donors:	
Catering	34,969
Entertainment	400
Venue rental	<u>4,700</u>
Total direct benefits to donors	<u>(40,069)</u>
Event income, net	<u>\$174,213</u>

**17) SUPPLEMENTAL CASH FLOW INFORMATION**

	<u>2020</u>	<u>2019</u>
Income taxes paid	<u>\$ -</u>	<u>\$ -</u>
Interest paid	<u>\$19,890</u>	<u>\$11,050</u>

**18) SUBSEQUENT EVENTS**

The Center is currently evaluating the recent introduction of the COVID-19 virus and its impact on the industry and has concluded that while it is reasonably possible that the virus could have a negative effect on the Center's collections, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

Additionally, subsequent to year end, the Center entered into a merger with LGBT Elder Initiative, another non-profit organization with a related mission. The financial statements do not include any adjustments that might result from the outcome of the merger.