

GILDA'S CLUB NEW YORK CITY, INC.

**FINANCIAL STATEMENTS
AND
SUPPLEMENTARY INFORMATION**

JUNE 30, 2015 AND 2014

GILDA'S CLUB NEW YORK CITY, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Gilda's Club New York City, Inc.

We have audited the accompanying financial statements of Gilda's Club New York City, Inc. (a nonprofit corporation), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gilda's Club New York City, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Lotz + Carr, LLP

New York, New York
January 5, 2016

GILDA'S CLUB NEW YORK CITY, INC.
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2015 AND 2014

	2015	2014
Assets		
Cash and cash equivalents (Notes 1b and 3)	\$ 35,094	\$ 100,758
Unconditional promises to give (Notes 1c and 4)		
Unrestricted	158,671	130,905
Restricted	120,832	337,505
Accounts receivable	13,800	9,908
Prepaid expenses and other assets	36,263	47,772
Deferred financing costs, net of accumulated amortization of \$17,008 (2015) and \$7,430 (2014) (Note 1e)	71,044	80,622
Property and equipment, at cost, net of accumulated depreciation (Notes 1d, 5 and 7)	3,350,104	3,426,199
Total Assets	\$3,785,808	\$4,133,669
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 111,074	\$ 118,161
Loan payable (Note 6)	4,000	4,000
Mortgage and line of credit payable (Note 7)	2,313,046	2,545,726
Deferred revenue (Note 1f)	52,335	74,275
Total Liabilities	2,480,455	2,742,162
Commitment (Note 8)		
Net Assets		
Unrestricted		
Property and equipment	1,108,102	961,095
Operating	(39,374)	89,829
Total Unrestricted	1,068,728	1,050,924
Temporarily restricted (Note 2)	236,625	340,583
Total Net Assets	1,305,353	1,391,507
Total Liabilities and Net Assets	\$3,785,808	\$4,133,669

See notes to financial statements.

GILDA'S CLUB NEW YORK CITY, INC.

STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Changes in Net Assets						
Revenue and Other Support						
Contributions	\$ 635,122	\$ 49,658	\$ 684,780	\$ 537,748	\$ 61,141	\$ 598,889
Government grant	8,800	50,619	59,419	43,500	40,000	83,500
Special events income	1,496,952	-	1,496,952	1,381,957	-	1,381,957
Less: Direct expenses	(199,135)	-	(199,135)	(163,202)	-	(163,202)
Donated materials (Note 9)	1,864	-	1,864	973	-	973
Other income (loss)	(107)	-	(107)	181	-	181
	<u>1,943,496</u>	<u>100,277</u>	<u>2,043,773</u>	<u>1,801,157</u>	<u>101,141</u>	<u>1,902,298</u>
Net assets released from restrictions	204,235	(204,235)	-	199,260	(199,260)	-
	<u>2,147,731</u>	<u>(103,958)</u>	<u>2,043,773</u>	<u>2,000,417</u>	<u>(98,119)</u>	<u>1,902,298</u>
Total Revenue and Other Support						
Expenses						
Program Services	1,722,676	-	1,722,676	1,656,796	-	1,656,796
Supporting Services						
Management and general	130,073	-	130,073	118,051	-	118,051
Fundraising	277,178	-	277,178	273,218	-	273,218
Total Supporting Services	<u>407,251</u>	<u>-</u>	<u>407,251</u>	<u>391,269</u>	<u>-</u>	<u>391,269</u>
Total Expenses	<u>2,129,927</u>	<u>-</u>	<u>2,129,927</u>	<u>2,048,065</u>	<u>-</u>	<u>2,048,065</u>
Increase (decrease) in net assets	17,804	(103,958)	(86,154)	(47,648)	(98,119)	(145,767)
Net assets, beginning of year	<u>1,050,924</u>	<u>340,583</u>	<u>1,391,507</u>	<u>1,098,572</u>	<u>438,702</u>	<u>1,537,274</u>
	<u>\$ 1,068,728</u>	<u>\$ 236,625</u>	<u>\$1,305,353</u>	<u>\$ 1,050,924</u>	<u>\$ 340,583</u>	<u>\$1,391,507</u>
Net Assets, End of Year						

See notes to financial statements.

GILDA'S CLUB NEW YORK CITY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2015 AND 2014

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities		
Decrease in net assets	\$ (86,154)	\$(145,767)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	104,203	99,217
Bad debt expense	12,000	8,000
(Increase) decrease in:		
Unconditional promises to give	176,907	(30,665)
Accounts receivable	(3,892)	41,092
Prepaid expenses and other assets	11,509	(9,107)
Increase (decrease) in:		
Accounts payable and accrued expenses	(7,087)	32,081
Deferred revenue	(21,940)	(36,382)
Net Cash Provided (Used) By Operating Activities	<u>185,546</u>	<u>(41,531)</u>
 Cash Flows From Investing Activities		
Acquisition of property and equipment	<u>(18,530)</u>	<u>-</u>
 Cash Flows From Financing Activities		
Principal payments on line of credit payable	(207,000)	-
Principal payments on mortgage payable	(25,680)	(24,612)
Proceeds from borrowings under line of credit	-	101,340
Principal payments on loan payable	-	(1,000)
Financing costs	-	(43,835)
Net Cash Provided (Used) By Financing Activities	<u>(232,680)</u>	<u>31,893</u>
 Net decrease in cash and cash equivalents	(65,664)	(9,638)
Cash and cash equivalents, beginning of year	<u>100,758</u>	<u>110,396</u>
 Cash and Cash Equivalents, End of Year	<u><u>\$ 35,094</u></u>	<u><u>\$ 100,758</u></u>
 Supplemental Disclosure		
Interest paid during the year	<u><u>\$ 92,592</u></u>	<u><u>\$ 96,068</u></u>

See notes to financial statements.

GILDA'S CLUB NEW YORK CITY, INC.**NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2015 AND 2014****Note 1 - Organization and Summary of Significant Accounting Policies****a - Organization**

Gilda's Club New York City ("GCNYC") is organized under the Not-for-Profit Corporation Law of the state of New York. Formerly, Gilda's Club, founded in 1995, it became GCNYC and an affiliate when the international office Gilda's Club Worldwide was formed in 1999. In 2009 Gilda's Club Worldwide merged with the Cancer Support Community. Although GCNYC is an affiliate of the Cancer Support Community, there is no legal financial relationship between the two entities other than an agreement to license certain intellectual property and the name and logo associated with Gilda's Club. GCNYC's mission is to support, educate and empower cancer patients and their families in the New York metropolitan area as a complement to comprehensive medical care. GCNYC offers support and networking groups, educational lectures and workshops, and social events for men, women, teens and children - free of charge at their clubhouse located in the West Village and offsite through their Gilda Comes to You program at medical centers throughout NYC. GCNYC receives its support primarily from charitable donations and fundraising events.

b - Cash and Cash Equivalents

For financial reporting purposes, GCNYC considers all highly liquid debt instruments, including money market funds, purchased with a maturity of three months or less, to be cash equivalents.

c - Unconditional Promises to Give and Contributions

Contributions are recognized when the donor makes a promise to give to GCNYC, that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

d - Property and Equipment

Property and equipment are recorded at cost and are being depreciated using the straight-line method over the estimated useful lives of the assets.

e - Deferred Financing Costs

Costs incurred in connection with obtaining financing are deferred and amortized over the life of the applicable loan.

f - Deferred Revenue

Amounts received for special events that are to be held subsequent to the year-end are recorded as deferred revenue until the event takes place, at which time they are recognized as revenue.

GILDA'S CLUB NEW YORK CITY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 1 - Organization and Summary of Significant Accounting Policies (continued)

g - Financial Statement Presentation

GCNYC reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

h - 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

i - Prior Year Information

For comparability, certain 2014 amounts have been reclassified, where appropriate, to conform to the financial statement presentation used in 2015.

j - Tax Status

GCNYC is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been designated as an organization which is not a private foundation. Management has evaluated all income tax positions and concluded that no disclosures relating to uncertain tax positions were required in the financial statements. GCNYC's tax returns are generally subject to examination by taxing authorities for a period of three years from the date of filing.

k - Subsequent Events

GCNYC has evaluated subsequent events through January 5, 2016, the date that the financial statements are considered available to be issued.

Note 2 - Temporarily Restricted Net Assets

Temporarily restricted net assets at June 30 are designated for future programs and periods as follows:

	<u>2015</u>	<u>2014</u>
Satellite support programs	\$ 42,195	\$ 43,740
Future periods	74,193	88,678
Patient centered research	118,257	200,076
Lecture series	<u>-</u>	<u>8,089</u>
Total	<u>\$234,645</u>	<u>\$340,583</u>

GILDA'S CLUB NEW YORK CITY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 3 - Concentration of Credit Risk

GCNYC maintains its cash and cash equivalents at a financial institution in New York. The balances, at times, may exceed federally insured limits.

Note 4 - Unconditional Promises to Give

Unconditional promises to give are due as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2015 Total</u>	<u>2014 Total</u>
Due within one year	\$158,671	\$120,832	\$279,503	\$130,905
Due within one to five years	-	-	-	346,818
	<u>158,671</u>	<u>120,832</u>	<u>279,503</u>	<u>477,723</u>
Less: Discount	-	-	-	(9,313)
Total 2015	<u>\$158,671</u>	<u>\$120,832</u>	<u>\$279,503</u>	
Total 2014	<u>\$130,905</u>	<u>\$337,505</u>		<u>\$468,410</u>

Uncollectible promises are expected to be immaterial. Unconditional promises to give due after one year were discounted to net present value using a discount rate of 3% per annum.

Approximately 49% of unconditional promises to give at June 30, 2015 are from one foundation.

Note 5 - Property and Equipment

Property and equipment consists of the following at June 30:

	<u>Life</u>	<u>2015</u>	<u>2014</u>
Land	-	\$2,800,000	\$2,800,000
Building and improvements	20 years	1,882,485	1,882,485
Furniture and equipment	5-7 years	310,771	295,741
Website	5-7 years	<u>3,500</u>	-
		4,996,756	4,978,226
Less: Accumulated depreciation		<u>(1,646,652)</u>	<u>(1,552,027)</u>
		<u>\$3,350,104</u>	<u>\$3,426,199</u>

GILDA'S CLUB NEW YORK CITY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 5 - Property and Equipment (continued)

Depreciation expense for the years ended June 30, 2015 and 2014 was \$94,625 and \$94,366, respectively.

Note 6 - Loan Payable

Loan payable is a non-interest bearing loan due to the estate of a former Board member which was paid in full subsequent to June 30, 2015.

Note 7 - Mortgage and Line of Credit Payable

The mortgage payable and line of credit consisted of the following as of June 30, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
<i>Mortgage Payable</i>		
During November 2012, GCNYC refinanced its mortgage. The new agreement provides for interest of 4.2% through December 1, 2019, subsequent to which the rate will be the one month LIBOR rate plus 2.4% per annum. Monthly payments of principal and interest in the amount of \$7,043 commenced on January 1, 2013 and continue until maturity on December 1, 2022, when the unpaid principal balance is due.	\$1,367,706	\$1,393,386
<i>Line of Credit</i>		
During November 2012, GCNYC entered into a new line of credit agreement with its mortgage lender for a maximum borrowing of \$1,251,000. The proceeds of the new line were used to satisfy the previous line of credit. Interest is due monthly at the prime rate. As extended, the line expires on December 1, 2022. Subsequent to June 30, 2015, additional principal payments were made. At January 6, 2016, the outstanding balance was \$545,340.	<u>945,340</u>	<u>1,152,340</u>
	<u>\$2,313,046</u>	<u>\$2,545,726</u>

GILDA'S CLUB NEW YORK CITY, INC.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014

Note 7 - Mortgage and Line of Credit Payable (continued)

The mortgage payable and line of credit are secured by GCNYC's property and the mortgage payable is guaranteed by a Board member.

Approximate minimum principal payments for the refinanced mortgage and new line of credit are as follows:

<u>Year Ending June 30,</u>	
2016	\$ 28,000
2017	29,000
2018	30,000
2019	31,000
2020	32,000
Thereafter, through December 1, 2022	2,163,000

Note 8 - Pension Plan

GCNYC sponsors a defined contribution pension plan (the "Plan") under Internal Revenue code section 403(b) for its employees. Employees become eligible and vested for the benefits after one year of service. The Plan provides for an employer matching contribution of up to 4% of eligible employee salaries. Employees may also elect to contribute to the Plan through salary reductions. Pension expense for the years ended June 30, 2015 and 2014 was \$29,754 and \$23,873, respectively.

Note 9 - Donated Materials

GCNYC received donated materials with a value of \$1,864 and \$973 during the years ended June 30, 2015 and 2014, respectively.

Note 10 - Functional Allocation of Expenses

The cost of providing the various program and supporting services has been summarized on a functional basis in the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

SUPPLEMENTARY INFORMATION



**INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTARY INFORMATION**

To the Board of Directors of
Gilda's Club New York City, Inc.

We have audited the financial statements of Gilda's Club New York City, Inc. as of and for the years ended June 30, 2015 and 2014, and our report thereon dated January 5, 2016, 2015, which expressed an unmodified opinion on those financial statements, appears on pages 1 and 2. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedule of Functional Expenses for the year ended June 30, 2015 with comparative totals for 2014 is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Lutz + Carr, LLP

New York, New York
January 5, 2016

GILDA'S CLUB NEW YORK CITY, INC.

SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2015 WITH COMPARATIVE TOTALS 2014

	Program Services	Supporting Services		2015	2014
		Management and General	Fundraising	Total Expenses	Total Expenses
Salaries	\$ 926,576	\$ 61,600	\$ 150,706	\$1,138,882	\$1,042,153
Payroll taxes and employee benefits	172,975	11,500	28,134	212,609	177,179
Total Personnel Expenses	1,099,551	73,100	178,840	1,351,491	1,219,332
Professional fees	163,600	32,159	4,760	200,519	242,470
Occupancy	35,590	2,373	1,582	39,545	38,169
Building repairs and maintenance	33,949	2,263	1,509	37,721	58,312
Office supplies	54,359	3,423	22,571	80,353	65,254
Insurance	29,023	1,935	1,290	32,248	30,953
Travel	8,921	-	630	9,551	11,173
Equipment leases	19,232	1,282	855	21,369	20,756
Dues and subscriptions	16,937	162	396	17,495	6,283
Postage and shipping	8,341	495	6,877	15,713	13,534
Telephone	10,239	683	455	11,377	8,217
Printing	19,447	-	12,653	32,100	31,023
Interest	83,333	5,556	3,703	92,592	96,068
Miscellaneous	31,879	390	20,215	52,484	58,072
Bad debt expense	12,000	-	-	12,000	8,000
Fundraising event costs	2,492	-	16,674	19,166	41,232
Depreciation and amortization	93,783	6,252	4,168	104,203	99,217
Total Expenses, 2015	<u>\$1,722,676</u>	<u>\$ 130,073</u>	<u>\$ 277,178</u>	<u>\$2,129,927</u>	
Total Expenses, 2014	<u>\$1,656,796</u>	<u>\$ 118,051</u>	<u>\$ 273,218</u>		<u>\$2,048,065</u>

See independent auditors' report on supplementary information.