

**GILDA'S CLUB NEW YORK CITY, INC.**

**FINANCIAL STATEMENTS  
AND  
SUPPLEMENTARY INFORMATION**

**JUNE 30, 2017 AND 2016**

**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, 2017 and 2016, 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, 2017 and 2016, 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  
February 20, 2018

## GILDA'S CLUB NEW YORK CITY, INC.

## STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>Assets</b>		
Cash and cash equivalents (Notes 1b and 3)	\$ 51,712	\$ 123,161
Unconditional promises to give (Notes 1c and 4)		
Unrestricted	35,456	75,649
Restricted	193,944	40,547
Prepaid expenses and other assets	31,529	37,508
Property and equipment, at cost, net of accumulated depreciation (Notes 1d, 5 and 6)	<u>3,174,740</u>	<u>3,256,894</u>
<b>Total Assets</b>	<b><u>\$3,487,381</u></b>	<b><u>\$3,533,759</u></b>
<b>Liabilities and Net Assets</b>		
Liabilities		
Accounts payable and accrued expenses	\$ 102,574	\$ 109,563
Mortgage payable, net of financing costs (Notes 1k, 6b and 6c)	1,261,232	1,279,605
Line of credit payable (Note 6a)	400,340	545,340
Deferred revenue (Note 1f)	<u>38,460</u>	<u>44,625</u>
Total Liabilities	<u>1,802,606</u>	<u>1,979,133</u>
Commitment (Note 7)		
Net Assets		
Unrestricted		
Property and equipment	1,513,168	1,431,949
Operating	<u>(77,428)</u>	<u>70,996</u>
Total Unrestricted	1,435,740	1,502,945
Temporarily restricted (Note 2)	<u>249,035</u>	<u>51,681</u>
Total Net Assets	<u>1,684,775</u>	<u>1,554,626</u>
<b>Total Liabilities and Net Assets</b>	<b><u>\$3,487,381</u></b>	<b><u>\$3,533,759</u></b>

See notes to financial statements.

## GILDA'S CLUB NEW YORK CITY, INC.

## STATEMENTS OF ACTIVITIES

YEARS ENDED JUNE 30, 2017 AND 2016

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>Changes in Net Assets</b>						
Revenue and Other Support						
Contributions	\$ 578,907	\$ 100,927	\$ 679,834	\$ 606,044	\$ 46,316	\$ 652,360
Government grants (Note 4)	99,563	148,108	247,671	11,572	-	11,572
Special events income	1,647,025	-	1,647,025	2,027,449	-	2,027,449
Less: Direct expenses	(215,584)	-	(215,584)	(211,713)	-	(211,713)
Donated materials (Note 8)	6,970	-	6,970	1,538	-	1,538
Other income	67	-	67	2,199	-	2,199
	<u>2,116,948</u>	<u>249,035</u>	<u>2,365,983</u>	<u>2,437,089</u>	<u>46,316</u>	<u>2,483,405</u>
Net assets released from restrictions	51,681	(51,681)	-	231,260	(231,260)	-
	<u>2,168,629</u>	<u>197,354</u>	<u>2,365,983</u>	<u>2,668,349</u>	<u>(184,944)</u>	<u>2,483,405</u>
Total Revenue and Other Support						
Expenses						
Program Services	1,797,265	-	1,797,265	1,803,137	-	1,803,137
Supporting Services						
Management and general	129,630	-	129,630	135,723	-	135,723
Fundraising	308,939	-	308,939	295,272	-	295,272
Total Supporting Services	<u>438,569</u>	<u>-</u>	<u>438,569</u>	<u>430,995</u>	<u>-</u>	<u>430,995</u>
Total Expenses	<u>2,235,834</u>	<u>-</u>	<u>2,235,834</u>	<u>2,234,132</u>	<u>-</u>	<u>2,234,132</u>
Increase (decrease) in net assets	(67,205)	197,354	130,149	434,217	(184,944)	249,273
Net assets, beginning of year	<u>1,502,945</u>	<u>51,681</u>	<u>1,554,626</u>	<u>1,068,728</u>	<u>236,625</u>	<u>1,305,353</u>
	<u>\$ 1,435,740</u>	<u>\$ 249,035</u>	<u>\$1,684,775</u>	<u>\$ 1,502,945</u>	<u>\$ 51,681</u>	<u>\$1,554,626</u>
<b>Net Assets, End of Year</b>						

See notes to financial statements.

## GILDA'S CLUB NEW YORK CITY, INC.

## STATEMENTS OF CASH FLOWS

YEARS ENDED JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
<b>Cash Flows From Operating Activities</b>		
Increase in net assets	\$130,149	\$249,273
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Depreciation	100,679	98,614
Amortization of financing costs	9,579	9,579
Bad debt expense	-	15,508
(Increase) decrease in:		
Unconditional promises to give	(113,204)	161,599
Accounts receivable	-	-
Prepaid expenses and other assets	5,979	(1,245)
Decrease in:		
Accounts payable and accrued expenses	(6,989)	(1,511)
Deferred revenue	(6,165)	(7,710)
Net Cash Provided By Operating Activities	<u>120,028</u>	<u>524,107</u>
<b>Cash Flows From Investing Activities</b>		
Acquisition of property and equipment	<u>(18,525)</u>	<u>(5,404)</u>
<b>Cash Flows From Financing Activities</b>		
Principal payments on line of credit payable	(145,000)	(400,000)
Principal payments on mortgage payable	(27,952)	(26,636)
Principal payments on loan payable	-	(4,000)
Net Cash Used By Financing Activities	<u>(172,952)</u>	<u>(430,636)</u>
Net increase (decrease) in cash and cash equivalents	(71,449)	88,067
Cash and cash equivalents, beginning of year	<u>123,161</u>	<u>35,094</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 51,712</u>	<u>\$123,161</u>
<b>Supplemental Disclosure</b>		
Interest paid during the year	<u>\$ 74,453</u>	<u>\$ 81,066</u>

See notes to financial statements.

**GILDA'S CLUB NEW YORK CITY, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2017 AND 2016****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, 2017 AND 2016**

**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 - 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.

j - Subsequent Events

GCNYC has evaluated subsequent events through February 20, 2018, the date that the financial statements are considered available to be issued.

k - New Accounting Pronouncements

In April, 2015, the FASB issued Accounting Standards Update ASU No. 2015-03, Interest - Imputation of Interest (Subtopic 835-30): Simplifying the Presentation of Debt Issuance Costs. The ASU amends FASB ASC 835-30-45-1A and 45-3 to require that debt issuance costs be presented in the statement of financial position as a reduction of the carrying amount rather than as an asset. The amendments to FASB 835-30-45-3 require the amortization of debt issuance costs to be reported as interest expense. The ASU is effective for the fiscal years beginning after December 15, 2015 and was implemented retrospectively for all prior periods presented (Note 6c).

**Note 2 - Temporarily Restricted Net Assets**

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

	<u>2017</u>	<u>2016</u>
Satellite support programs	\$ 13,500	\$46,316
Future periods	64,927	5,365
Camp Sparkle	15,000	-
Educational programming	<u>155,608</u>	<u>-</u>
Total	<u>\$249,035</u>	<u>\$51,681</u>

## GILDA'S CLUB NEW YORK CITY, INC.

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

**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>2017 Total</u>	<u>2016 Total</u>
Due within one year	\$35,456	\$109,064	\$144,520	\$116,196
Due within one to five years	<u>-</u>	<u>94,080</u>	<u>94,080</u>	<u>-</u>
	35,456	203,144	238,600	116,196
Less: Discount	<u>-</u>	<u>(9,200)</u>	<u>(9,200)</u>	<u>-</u>
Total 2017	<u>\$35,456</u>	<u>\$193,944</u>	<u>\$229,400</u>	
Total 2016	<u>\$75,649</u>	<u>\$ 40,547</u>		<u>\$116,196</u>

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

Approximately 72% of unconditional promises to give at June 30, 2017 are from two government agencies. During the year ended June 30, 2017, approximately 88% of government grants were from these same two government agencies.

**Note 5 - Property and Equipment**

Property and equipment consists of the following at June 30:

	<u>Life</u>	<u>2017</u>	<u>2016</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	310,771
Website	5-7 years	<u>27,429</u>	<u>8,904</u>
		5,020,685	5,002,160
Less: Accumulated depreciation		<u>(1,845,945)</u>	<u>(1,745,266)</u>
		<u>\$3,174,740</u>	<u>\$3,256,894</u>

**GILDA'S CLUB NEW YORK CITY, INC.**

**NOTES TO FINANCIAL STATEMENTS**

**JUNE 30, 2017 AND 2016**

**Note 5 - Property and Equipment (continued)**

Depreciation expense for the years ended June 30, 2017 and 2016 was \$100,679 and \$98,614, respectively.

**Note 6 - Mortgage and Line of Credit Payable**

a - 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. The line of credit payable at June 30, 2017 and 2016 was \$400,340 and \$545,340, respectively. As extended, the line expires on December 1, 2022.

b - 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.

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 mortgage and line of credit are as follows:

<b><u>Year Ending June 30,</u></b>	
2018	\$ 30,000
2019	31,000
2020	32,000
Thereafter, through December 1, 2022	1,620,000

c - The mortgage payable at June 30 consists of the following:

	<b><u>2017</u></b>	<b><u>2016</u></b>
Mortgage payable	\$1,313,118	\$1,341,070
Less: Unamortized financing costs	<u>(51,886)</u>	<u>(61,465)</u>
Mortgage Payable, Less Unamortized Financing Costs	<u>\$1,261,232</u>	<u>\$1,279,605</u>

**GILDA'S CLUB NEW YORK CITY, INC.****NOTES TO FINANCIAL STATEMENTS****JUNE 30, 2017 AND 2016****Note 6 - Mortgage and Line of Credit Payable**

c - (continued)

GCNYC retroactively adopted the requirements in FASB ASC 835-30 to present deferred financing costs as a reduction of the carrying amount of the mortgage rather than as an asset. Mortgages payable as of June 30, 2016, was previously reported in the statement of financial position as \$1,341,070 and unamortized deferred financing costs were reported as \$61,465. Amortization of the deferred financing costs is reported as interest expense in the statement of activities.

**Note 7 - 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, 2017 and 2016 was \$29,082 and \$31,680, respectively.

**Note 8 - Donated Materials**

GCNYC received donated materials with a value of \$6,970 and \$1,538 during the years ended June 30, 2017 and 2016, respectively.

**Note 9 - 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**



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**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, 2017 and 2016, and our report thereon dated February 20, 2018, 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, 2017 with comparative totals for 2016 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  
February 20, 2018

## GILDA'S CLUB NEW YORK CITY, INC.

## SCHEDULE OF FUNCTIONAL EXPENSES

YEAR ENDED JUNE 30, 2017 WITH COMPARATIVE TOTALS 2016

	Program Services	Supporting Services		2017	2016
		Management and General	Fundraising	Total Expenses	Total Expenses
Salaries	\$1,033,215	\$ 63,901	\$ 154,805	\$1,251,921	\$1,214,509
Payroll taxes and employee benefits	183,545	11,352	27,500	222,397	228,040
Total Personnel Expenses	1,216,760	75,253	182,305	1,474,318	1,442,549
Professional fees	137,514	28,064	4,509	170,087	213,434
Occupancy	27,621	1,841	1,228	30,690	30,401
Building repairs and maintenance	56,264	3,751	2,501	62,516	48,021
Office supplies	59,525	3,669	16,600	79,794	82,927
Insurance	32,298	2,154	1,435	35,887	34,359
Travel	11,631	-	30	11,661	15,808
Equipment leases	13,142	875	584	14,601	20,394
Dues and subscriptions	17,053	1,055	2,555	20,663	17,663
Postage and shipping	8,693	472	7,460	16,625	13,387
Telephone	14,331	955	637	15,923	13,414
Printing	18,695	11	15,817	34,523	29,887
Interest	67,008	4,467	2,978	74,453	81,066
Miscellaneous	13,367	447	36,437	50,251	51,683
Bad debt expense	-	-	-	-	15,508
Fundraising event costs	4,131	-	29,453	33,584	15,438
Depreciation and amortization	99,232	6,616	4,410	110,258	108,193
Total Expenses, 2017	<u>\$1,797,265</u>	<u>\$ 129,630</u>	<u>\$ 308,939</u>	<u>\$2,235,834</u>	
Total Expenses, 2016	<u>\$1,803,137</u>	<u>\$ 135,723</u>	<u>\$ 295,272</u>		<u>\$2,234,132</u>

See independent auditors' report on supplementary information.