

GILDA'S CLUB METRO DETROIT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For the years ended December 31, 2014 and 2013

GILDA'S CLUB METRO DETROIT

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Gilda's Club Metro Detroit

We have audited the accompanying Statement of financial position of Gilda's Club Metro Detroit (a Michigan not-for-profit corporation) as of December 31, 2014 and 2013, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Gilda's Club Metro Detroit as of December 31, 2014 and 2013, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedule of functional expenses on page 9 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.



Farmington Hills, Michigan
April 22, 2015

GILDA'S CLUB METRO DETROIT
STATEMENTS OF FINANCIAL POSITION

December 31, 2014 and 2013

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
CURRENT ASSETS		
Cash and cash equivalents (Note 1)	\$ 430,658	\$ 236,581
Certificate of deposit, at fair value	63,132	62,837
Accounts receivable	-	2,417
Prepaid expenses and other current assets	447	1,025
TOTAL CURRENT ASSETS	<u>494,237</u>	<u>302,860</u>
 PROPERTY AND EQUIPMENT (Notes 1 and 2)		
Clubhouse and improvements	2,210,451	2,210,451
Furniture and equipment	175,329	175,329
Computers	137,840	137,840
Land and improvements	84,842	84,842
	<u>2,608,462</u>	<u>2,608,462</u>
Less accumulated depreciation and amortization	1,350,516	1,277,624
	<u>1,257,946</u>	<u>1,330,838</u>
	<u>\$ 1,752,183</u>	<u>\$ 1,633,698</u>
 <u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Current portion of long-term debt (Note 2)	\$ 528,949	\$ 14,610
Accounts payable	-	2,301
Accrued expenses	2,180	2,273
TOTAL CURRENT LIABILITIES	<u>531,129</u>	<u>19,184</u>
 LONG-TERM DEBT (Less current portion above)		
Note payable (Note 2)	<u>-</u>	<u>528,608</u>
 NET ASSETS (Note 3)		
Unrestricted	1,050,884	913,910
Temporarily restricted	30,975	28,143
Permanently restricted	139,195	143,853
	<u>1,221,054</u>	<u>1,085,906</u>
	<u>\$ 1,752,183</u>	<u>\$ 1,633,698</u>

The accompanying notes to financial statements
are an integral part of these statements.

GILDA'S CLUB METRO DETROIT

STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

For the years ended December 31, 2014 and 2013

	Unrestricted	Temporarily Restricted	Permanently Restricted	2014	2013
REVENUES AND SUPPORT					
Contributions	\$ 393,488	\$ 21,679	\$ 1,342	\$ 416,509	\$ 242,457
Tributes	41,588			41,588	32,407
Grants	117,238			117,238	52,283
Special Events	260,831			260,831	245,532
Satellite operations	26,583			26,583	26,583
Interest Income	335	479		814	863
Merchandise Sales	163			163	597
Other income	74,463			74,463	4,518
Net assets released from restrictions	25,326	(19,326)	(6,000)	-	-
	<u>940,015</u>	<u>2,832</u>	<u>(4,658)</u>	<u>938,189</u>	<u>605,240</u>
EXPENSES					
Program Services	621,314			621,314	550,525
Fund raising	119,350			119,350	120,338
Management and general	62,377			62,377	58,621
	<u>803,041</u>			<u>803,041</u>	<u>729,484</u>
INCREASE (DECREASE) IN NET	136,974	2,832	(4,658)	135,148	(124,244)
NET ASSETS - BEGINNING OF YEAR	<u>913,910</u>	<u>28,143</u>	<u>143,853</u>	<u>1,085,906</u>	<u>1,210,150</u>
NET ASSETS - END OF YEAR	<u>\$ 1,050,884</u>	<u>\$ 30,975</u>	<u>\$ 139,195</u>	<u>\$ 1,221,054</u>	<u>\$ 1,085,906</u>

The accompanying notes to financial statements
are an integral part of these statements.

GILDA'S CLUB METRO DETROIT

STATEMENTS OF CASH FLOWS

For the years ended December 31, 2014 and 2013

	<u>2014</u>	<u>2013</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Decrease in net assets	\$ 135,148	\$ (124,244)
Adjustments to reconcile decrease in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	72,892	71,442
Interest from certificate of deposit	(295)	
Change in assets and liabilities:		
Accounts receivable	2,417	2,416
Prepaid expenses and other current assets	578	(1,025)
Accounts payable	(2,301)	(80)
Accrued expenses	(93)	(154)
Net cash provided (used) by operating activities	<u>208,346</u>	<u>(51,645)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	<u>-</u>	<u>(30,715)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayments of notes payable	<u>(14,269)</u>	<u>(13,566)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	194,077	(95,926)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>236,581</u>	<u>332,507</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 430,658</u>	<u>\$ 236,581</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	\$ <u>28,366</u>	\$ <u>27,914</u>
Cash received during the year from interest	\$ <u>814</u>	\$ <u>863</u>

The accompanying notes to financial statements
are an integral part of these statements

GILDA'S CLUB METRO DETROIT
NOTES TO FINANCIAL STATEMENTS

1. OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES

Organization

Gilda's Club Metro Detroit is a non-profit organization which was incorporated in 1994. The organization specializes in providing a meeting place where people with cancer and their families can join with others to build social and emotional support as a supplement to medical care.

Gilda's clubhouse building was purchased in June of 1996. Renovations were completed in December 1997. Gilda's Club Metro Detroit cancer support community opened its doors to people with cancer, their families and friends on January 28, 1998.

Basis of Accounting

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

Basis of Presentation

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

- Unrestricted Net Assets—not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Administrators.
- Temporarily Restricted Net Assets—subject to donor-imposed stipulations that may be fulfilled by actions of the Organization to meet the stipulations or that become unrestricted at the date specified by the donor.
- Permanently Restricted Net Assets—subject to donor-imposed stipulations that they be retained and invested permanently by the Organization to use all or part of the investment return on these net assets for specified or unspecified purposes.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions. Temporarily restricted net assets are reclassified to unrestricted net assets upon satisfaction of the time or purpose restrictions.

GILDA'S CLUB METRO DETROIT
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents. Cash equivalents at December 31, 2014 and 2013 include \$330,350 and \$228,865 of money market funds, respectively.

Use of Estimates

The preparation of financial statements in conformity with the basis of reporting followed by the Organization 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 revenue and expenses and changes in net assets during the reporting period. Actual results could differ from those estimates.

Financial Instruments

The Organization's financial instruments consist of receivables, investments, accounts payable and other accrued expenses. It is management's opinion that the Organization is not exposed to significant interest rate or credit risk arising from these instruments. Unless otherwise noted, the fair values of these financial instruments are the market values of the financial instruments.

Property, Building, and Equipment

Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method. Expenditures for repairs and maintenance are charged to operations as paid.

Functional Allocation of Expenses

The cost of providing program and support services have been reported on a functional basis in the statement of activities. Indirect costs have been allocated between the program and supporting services based on a ratio of staff positions per function or by occupancy based on square footage. Although the method of allocation used is considered appropriate, other methods could be used that would produce a different amount.

Income Taxes

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code.

GILDA'S CLUB METRO DETROIT
NOTES TO FINANCIAL STATEMENTS

1. NATURE OF OPERATIONS AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Events Occurring After Reporting Date

Management has considered events through April 22, 2015 for the purposes of these financial statements.

2. LONG-TERM DEBT

Long-term debt at December 31, 2014 and 2013 consisted of the following:

	<u>2014</u>	<u>2013</u>
Note payable bank, payable \$3,457 monthly including interest at a rate of 5.0%. The note is secured by property and equipment, maturing May 1, 2015	\$ 528,949	\$ 543,218
Less current portion	<u>0</u>	<u>14,610</u>
Long-term debt	<u>\$ 528,949</u>	<u>\$ 528,608</u>

Interest expense for the years ended December 31, 2014 and 2013 was \$28,307 and \$27,780, respectively

3. NET ASSETS

Temporarily restricted net assets consist of the following:

Name	To Be Used For	<u>2014</u>	<u>2013</u>
Charach Fund	Interest earned on endowment for birthday parties	\$ 7,567	\$ 7,553
Friedman Fund	Interest earned on endowment for education materials	13,451	13,298
Hooberman Fund	Interest earned on endowment for spa days	6,158	5,875
Music Fund	To support music workshops	1,949	1,192
Garden Fund/Brick Pavers	To support the garden and landscaping	1,625	0
Sabrina Black Foundation	Provide financial assistance to cancer patients	<u>225</u>	<u>225</u>
		<u>\$ 30,975</u>	<u>\$ 28,143</u>

GILDA'S CLUB METRO DETROIT
NOTES TO FINANCIAL STATEMENTS

Permanently restricted net assets consisted of the following:

	To Be Used For	2014	2013
Jill Hooberman Spa Endowment Fund	To be used for spa days	\$ 81,798	\$ 81,456
Friedman Fund - General Endowment	To be used for educational materials	43,734	43,734
Charach Fund - General Endowment	To be used for birthday parties	<u>13,663</u>	<u>18,663</u>
		<u>\$ 139,195</u>	<u>\$ 143,853</u>

Commencing in 2011, an addendum to the Janice Charach Endowment Fund established the release of \$6,000 of endowment funds per year for the next five years to be used for outreach efforts.

4. EMPLOYEE BENEFIT PLAN

The Organization contributes to a plan under Section 403(b)(7) of the Internal Revenue Code. The plan covers substantially all employees and provides for the Organization to discretionarily match each employee's contribution up to a predetermined limit. The Organization's contribution expense totaled \$0 in 2014 and 2013.

5. DONATED GOODS AND SERVICES

The Organization receives donated goods and services from various individuals and organizations. The value of the donated goods and services are not reported in the statement of activities and changes in net assets.

Estimated values of the donated goods and services by event are as follows:

	2014	2013
General donations	\$ 23,724	\$ 24,239
Gilda's Big Night Out	23,012	39,456
Walk	<u>9,518</u>	<u>13,416</u>
	<u>\$ 56,254</u>	<u>\$ 77,111</u>

GILDA'S CLUB METRO DETROIT

SCHEDULE OF FUNCTIONAL EXPENSES
For the years ended December 31, 2014 and 2013

	Program Services	Supporting Services		2014	2013
		Fund Raising	Management and General		
Salaries	\$ 277,149	\$ 55,067	\$ 42,064	\$ 374,280	\$ 331,703
Payroll taxes and employee benefits	52,231	10,446	6,964	69,641	59,394
Telephone	4,066	226	226	4,518	4,788
Utilities	10,167	565	565	11,297	14,819
Repairs and Maintenance	18,849	1,047	1,047	20,943	19,672
Office supplies and expenses	8,004	1,622	1,190	10,816	5,382
Computer & IT	8,066	1,613	1,076	10,755	14,668
Insurance	12,041	829	636	13,506	10,461
Dues and subscriptions	580	-	-	580	450
Equipment rental	6,416	1,301	954	8,671	12,444
Professional fees	8,740	1,955	805	11,500	8,000
Depreciation and amortization	63,780	4,556	4,556	72,892	71,442
Interest expense	24,627	1,840	1,840	28,307	27,780
Bank charges	-	11,868	-	11,868	4,650
Board expenses	562	177	64	803	64
Staff expense	403	108	390	901	5,062
Direct program expenses	69,867	-	-	69,867	56,374
Development, marketing, and event expenses	55,766	26,130	-	81,896	82,331
	<u>\$ 621,314</u>	<u>\$ 119,350</u>	<u>\$ 62,377</u>	<u>\$ 803,041</u>	<u>\$ 729,484</u>