

GILDA'S CLUB METRO DETROIT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For the years ended December 31, 2015 and 2014

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, 2015 and 2014, 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, 2015 and 2014, 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 25, 2016

GILDA'S CLUB METRO DETROIT
STATEMENTS OF FINANCIAL POSITION

December 31, 2015 and 2014

<u>ASSETS</u>	<u>2015</u>	<u>2014</u>
CURRENT ASSETS		
Cash and cash equivalents (Note 1)	\$ 403,581	\$ 430,658
Certificate of deposit, at fair value	62,930	63,132
Accounts receivable	2,417	-
Prepaid expenses and other current assets	-	447
TOTAL CURRENT ASSETS	<u>468,928</u>	<u>494,237</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	144,418	137,840
Land and improvements	84,842	84,842
	<u>2,615,040</u>	<u>2,608,462</u>
Less accumulated depreciation and amortization	<u>1,422,488</u>	<u>1,350,516</u>
	<u>1,192,552</u>	<u>1,257,946</u>
	<u>\$ 1,661,480</u>	<u>\$ 1,752,183</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Current portion of long-term debt (Notes 2 and 6)	\$ 16,166	\$ 15,015
Accounts payable	7,162	-
Accrued expenses	2,220	2,180
TOTAL CURRENT LIABILITIES	<u>25,548</u>	<u>17,195</u>
LONG-TERM DEBT (Less current portion above)		
Note payable (Notes 2 and 6)	<u>497,768</u>	<u>513,934</u>
NET ASSETS (Note 3)		
Unrestricted	973,120	1,050,884
Temporarily restricted	31,761	30,975
Permanently restricted	133,283	139,195
	<u>1,138,164</u>	<u>1,221,054</u>
	<u>\$ 1,661,480</u>	<u>\$ 1,752,183</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, 2015 and 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	2015	2014
REVENUES AND SUPPORT					
Contributions	\$ 410,898	\$ 2,343	\$ 88	\$ 413,329	\$ 416,509
Tributes	24,466			24,466	41,588
Grants	78,485			78,485	117,238
Special Events	261,184			261,184	260,831
Satellite operations	29,000			29,000	26,583
Interest Income	372	235		607	814
Merchandise Sales	46			46	163
Other income	-			-	74,463
Net assets released from restrictions	7,792	(1,792)	(6,000)	-	-
	<u>812,243</u>	<u>786</u>	<u>(5,912)</u>	<u>807,117</u>	<u>938,189</u>
EXPENSES					
Program Services	699,630			699,630	621,314
Fund raising	126,285			126,285	119,350
Management and general	64,092			64,092	62,377
	<u>890,007</u>	<u></u>	<u></u>	<u>890,007</u>	<u>803,041</u>
INCREASE (DECREASE) IN NET ASSETS	(77,764)	786	(5,912)	(82,890)	135,148
NET ASSETS - BEGINNING 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>
NET ASSETS - END OF YEAR	<u>\$ 973,120</u>	<u>\$ 31,761</u>	<u>\$ 133,283</u>	<u>\$ 1,138,164</u>	<u>\$ 1,221,054</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, 2015 and 2014

	<u>2015</u>	<u>2014</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ (82,890)	\$ 135,148
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	71,972	72,892
Interest from certificate of deposit	(93)	(295)
Change in assets and liabilities:		
Accounts receivable	(2,417)	2,417
Prepaid expenses and other current assets	447	578
Accounts payable	7,162	(2,301)
Accrued expenses	40	(93)
Net cash provided (used) by operating activities	<u>(5,779)</u>	<u>208,346</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(6,578)	-
Interest received from certificate of deposit	295	-
Net cash used by investing activities	<u>(6,283)</u>	<u>-</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayments of notes payable	<u>(15,015)</u>	<u>(14,269)</u>
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(27,077)	194,077
CASH AND CASH EQUIVALENTS - Beginning of year	<u>430,658</u>	<u>236,581</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 403,581</u>	<u>\$ 430,658</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ 26,471</u>	<u>\$ 28,366</u>
Cash received during the year from interest	<u>\$ 607</u>	<u>\$ 814</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, 2015 and 2014 include \$349,986 and \$330,350 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 25, 2016 for the purposes of these financial statements.

2. LONG-TERM DEBT

Long-term debt at December 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Note payable bank - refinanced July 1, 2015, payable \$3,458 monthly including interest at a rate of 5.0%. The note is secured by property and equipment, maturing June 1, 2018	\$ 513,934	\$ 528,949
Less current portion	<u>16,166</u>	<u>15,015</u>
Long-term debt	<u>\$ 497,768</u>	<u>\$ 513,934</u>

Interest expense for the years ended December 31, 2015 and 2014 was \$26,480 and \$28,307, respectively

3. NET ASSETS

Temporarily restricted net assets consist of the following:

<u>Name</u>	<u>To Be Used For</u>	<u>2015</u>	<u>2014</u>
Charach Fund	Interest earned on endowment for birthday parties	\$ 7,580	\$ 7,567
Friedman Fund	Interest earned on endowment for education materials	13,528	13,451
Hooberman Fund	Interest earned on endowment for spa days	5,725	6,158
Music Fund	To support music workshops	2,162	1,949
Garden Fund/Brick Pavers	To support the garden and landscaping	2,541	1,625
Sabrina Black Foundation	Provide financial assistance to cancer patients	<u>225</u>	<u>225</u>
		<u>\$ 31,761</u>	<u>\$ 30,975</u>

GILDA'S CLUB METRO DETROIT
NOTES TO FINANCIAL STATEMENTS

3. NET ASSETS (Continued)

Permanently restricted net assets consisted of the following:

Name	To Be Used For	2015	2014
Jill Hooberman Spa Endowment Fund	To be used for spa days	\$ 81,835	\$ 81,798
Friedman Fund - General Endowment	To be used for educational materials	43,785	43,734
Charach Fund - General Endowment	To be used for birthday parties	<u>7,663</u>	<u>13,663</u>
		<u>\$ 133,283</u>	<u>\$ 139,195</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 \$2,015 in 2015 and \$0 in 2014.

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:

	<u>2015</u>	<u>2014</u>
General donations	\$ 10,659	\$ 23,724
Gilda's Big Night Out	35,620	23,012
Walk	<u>11,350</u>	<u>9,518</u>
	<u>\$ 57,629</u>	<u>\$ 56,254</u>

GILDA'S CLUB METRO DETROIT
NOTES TO FINANCIAL STATEMENTS

6. FINANCIAL STATEMENT RECLASSIFICATION

As a result of the refinancing of its note payable bank (note 2), the presentation of note payable for 2014 on the statements of financial position was reclassified to conform with 2015 presentation.

GILDA'S CLUB METRO DETROIT

SCHEDULE OF FUNCTIONAL EXPENSES
For the years ended December 31, 2015 and 2014

	Program Services	Supporting Services		2015	2014
		Fund Raising	Management and General		
Salaries	\$ 308,763	\$ 57,547	\$ 41,180	\$ 407,490	\$ 374,280
Payroll taxes and employee benefits	68,920	13,784	9,189	91,893	69,641
Telephone	4,753	264	264	5,281	4,518
Utilities	11,821	657	657	13,135	11,297
Repairs and Maintenance	24,211	1,345	1,345	26,901	20,943
Office supplies and expenses	10,839	2,200	1,602	14,641	10,816
Computer & IT	10,520	2,104	1,403	14,027	10,755
Insurance	15,158	384	282	15,824	13,506
Dues and subscriptions	800	-	-	800	580
Equipment rental	6,420	1,301	954	8,675	8,671
Professional fees	6,098	1,364	562	8,024	11,500
Depreciation and amortization	62,976	4,498	4,498	71,972	72,892
Interest expense	23,038	1,721	1,721	26,480	28,307
Bank charges	-	11,443	-	11,443	11,868
Board expenses	77	24	9	110	803
Staff expense	1,169	208	426	1,803	901
Direct program expenses	52,838	-	-	52,838	69,867
Development, marketing, and event expenses	91,229	27,441	-	118,670	81,896
	<u>\$ 699,630</u>	<u>\$ 126,285</u>	<u>\$ 64,092</u>	<u>\$ 890,007</u>	<u>\$ 803,041</u>