

GILDA'S CLUB METRO DETROIT
FINANCIAL STATEMENTS
AND SUPPLEMENTARY INFORMATION

For the years ended December 31, 2016 and 2015

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, 2016 and 2015, 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, 2016 and 2015, 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
June 6, 2017

GILDA'S CLUB METRO DETROIT
STATEMENTS OF FINANCIAL POSITION

December 31, 2016 and 2015

	<u>ASSETS</u>	
	<u>2016</u>	<u>2015</u>
CURRENT ASSETS		
Cash and cash equivalents (Note 1)	\$ 402,141	\$ 403,581
Certificate of deposit, at fair value	63,024	52,930
Accounts receivable	7,250	2,417
TOTAL CURRENT ASSETS	<u>472,415</u>	<u>458,928</u>
PROPERTY AND EQUIPMENT (Notes 1 and 2)		
Clubhouse and improvements	2,210,451	2,210,451
Furniture and equipment	178,306	175,329
Computers	145,543	144,418
Land and improvements	84,842	84,842
	<u>2,619,142</u>	<u>2,615,040</u>
Less accumulated depreciation and amortization	1,495,634	1,422,488
	<u>1,123,508</u>	<u>1,192,552</u>
	<u>\$ 1,595,923</u>	<u>\$ 1,651,480</u>
<u>LIABILITIES AND NET ASSETS</u>		
CURRENT LIABILITIES		
Current portion of long-term debt (Note 2)	\$ 6,596	\$ 16,166
Accounts payable	-	7,162
Accrued expenses	788	2,220
TOTAL CURRENT LIABILITIES	<u>7,384</u>	<u>25,548</u>
LONG-TERM DEBT (Less current portion above)		
Note payable (Note 2)	<u>111,626</u>	<u>497,768</u>
NET ASSETS (Note 3)		
Unrestricted	1,316,060	973,120
Temporarily restricted	31,956	31,761
Permanently restricted	128,897	133,283
	<u>1,476,913</u>	<u>1,138,164</u>
	<u>\$ 1,595,923</u>	<u>\$ 1,661,480</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, 2016 and 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016	2015
REVENUES AND SUPPORT					
Contributions	\$ 410,405	\$ 393,542	\$ 1,614	\$ 805,561	\$ 413,329
Tributes	49,252			49,252	24,466
Grants	103,556			103,556	78,485
Special Events	330,097			330,097	261,184
Satellite operations	47,219			47,219	29,000
Interest Income	481	221		702	607
Merchandise Sales	-			-	46
Net assets released from restrictions	399,568	(393,568)	(6,000)	-	-
	<u>1,340,578</u>	<u>195</u>	<u>(4,386)</u>	<u>1,336,387</u>	<u>807,117</u>
EXPENSES					
Program Services	797,959			797,959	699,630
Fund raising	141,513			141,513	126,285
Management and general	58,166			58,166	64,092
	<u>997,638</u>	<u></u>	<u></u>	<u>997,638</u>	<u>890,007</u>
INCREASE (DECREASE) IN NET ASSETS	342,940	195	(4,386)	338,749	(82,890)
NET ASSETS - BEGINNING OF YEAR	<u>973,120</u>	<u>31,761</u>	<u>133,283</u>	<u>1,138,164</u>	<u>1,221,054</u>
NET ASSETS - END OF YEAR	<u>\$ 1,316,060</u>	<u>\$ 31,956</u>	<u>\$ 128,897</u>	<u>\$ 1,476,913</u>	<u>\$ 1,138,164</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, 2016 and 2015

	<u>2016</u>	<u>2015</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase (Decrease) in net assets	\$ 338,749	\$ (82,890)
Adjustments to reconcile increase (decrease) in net assets to net cash provided (used) by operating activities		
Depreciation and amortization	73,147	71,972
Interest from certificate of deposit	(93)	(93)
Change in assets and liabilities:		
Accounts receivable	(4,833)	(2,417)
Prepaid expenses and other current assets	-	447
Accounts payable	(7,162)	7,162
Accrued expenses	(1,434)	40
Net cash provided (used) by operating activities	<u>398,374</u>	<u>(5,779)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of property and equipment	(4,102)	(6,578)
Interest received from certificate of deposit	-	295
Net cash used by investing activities	<u>(4,102)</u>	<u>(6,283)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayments of note payable	<u>(395,712)</u>	<u>(15,015)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(1,440)	(27,077)
CASH AND CASH EQUIVALENTS - Beginning of year	<u>403,581</u>	<u>430,658</u>
CASH AND CASH EQUIVALENTS - End of year	<u>\$ 402,141</u>	<u>\$ 403,581</u>
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION:		
Cash paid during the year for interest	<u>\$ 18,456</u>	<u>\$ 26,471</u>
Cash received during the year from interest	<u>\$ 702</u>	<u>\$ 607</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, 2016 and 2015 include \$377,887 and \$349,986 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 June 6, 2017 for the purposes of these financial statements.

2. LONG-TERM DEBT

Long-term debt at December 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Note payable bank - refinanced August 15, 2016, payable \$1,033 monthly including interest at a rate of 4.50%. The note is secured by property and equipment, maturing June 1, 2018	\$ 118,222	\$ 513,934
Less current portion	<u>6,596</u>	<u>16,166</u>
Long-term debt	<u>\$ 111,626</u>	<u>\$ 497,768</u>

Interest expense for the years ended December 31, 2016 and 2015 was \$16,756 and \$26,480, respectively

3. NET ASSETS

Temporarily restricted net assets consist of the following:

<u>Name</u>	<u>To Be Used For</u>	<u>2016</u>	<u>2015</u>
Charach Fund	Interest earned on endowment for birthday parties	\$ 7,595	\$ 7,580
Friedman Fund	Interest earned on endowment for education materials	13,600	13,528
Hooberman Fund	Interest earned on endowment for spa days	3,831	5,725
Music Fund	To support music workshops	2,341	2,162
Garden Fund/Brick Pavers	To support the garden and landscaping	3,181	2,541
Angel Pillow	To make pillows for mastectomy patients	1,183	0
Sabrina Black Foundation	Provide financial assistance to cancer patients	<u>225</u>	<u>225</u>
		<u>\$ 31,956</u>	<u>\$ 31,761</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	2016	2015
Jill Hooberman Spa Endowment Fund	To be used for spa days	\$ 82,313	\$ 81,835
Friedman Fund - General Endowment	To be used for educational materials	43,921	43,785
Charach Fund - General Endowment	To be used for birthday parties	<u>2,663</u>	<u>7,663</u>
		<u>\$ 128,897</u>	<u>\$ 133,283</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 \$2,178 and \$2,015 in 2016 and 2015, respectively.

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>2016</u>	<u>2015</u>
General donations	\$ 15,249	\$ 10,659
Gilda's Big Night Out	29,920	35,620
Walk	<u>8,060</u>	<u>11,350</u>
	<u>\$ 53,229</u>	<u>\$ 57,629</u>

GILDA'S CLUB METRO DETROIT

SCHEDULE OF FUNCTIONAL EXPENSES
For the years ended December 31, 2016 and 2015

	Program Services	Supporting Services		2016	2015
		Fund Raising	Management and General		
Salaries	\$ 371,219	\$ 66,948	\$ 37,299	\$ 475,466	\$ 407,490
Payroll taxes and employee benefits	64,967	12,993	8,662	86,622	91,893
Telephone	6,428	357	357	7,142	5,281
Utilities	10,575	587	587	11,749	13,135
Repairs and Maintenance	25,612	1,474	1,450	28,536	26,901
Office supplies and expenses	9,875	1,975	1,316	13,166	14,641
Computer & IT	12,022	2,404	1,603	16,029	14,027
Insurance	16,160	287	210	16,657	15,824
Dues and subscriptions	800	-	-	800	800
Equipment rental	6,676	1,252	417	8,345	8,675
Professional fees	6,080	1,360	560	8,000	8,024
Depreciation and amortization	64,003	4,572	4,572	73,147	71,972
Interest expense	14,578	1,089	1,089	16,756	26,480
Bank charges	15,660	2,763	-	18,423	11,443
Board expenses	656	175	44	875	110
Staff expense	2,068	-	-	2,068	1,803
Direct program expenses	70,631	-	-	70,631	52,838
Development, marketing, and event expenses	99,949	43,277	-	143,226	118,670
	<u>\$ 797,959</u>	<u>\$ 141,513</u>	<u>\$ 58,166</u>	<u>\$ 997,638</u>	<u>\$ 890,007</u>