



***GILDA'S CLUB WESTCHESTER, INC.***

***FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT***

***FOR THE YEARS ENDED JUNE 30, 2020 AND 2019***

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*GILDA'S CLUB WESTCHESTER, INC.*

*FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019  
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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Gilda's Club Westchester, Inc.  
White Plains, New York

We have audited the accompanying financial statements of Gilda's Club Westchester, Inc. (a not-for-profit corporation, "GCW"), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses, 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 audits to obtain reasonable assurance about whether the financial statements are free from 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 auditors consider internal control relevant to GCW'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 GCW'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 GCW as of June 30, 2020 and 2019, 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.

*Cerini & Associates LLP*

November 20, 2020  
Bohemia, New York

**GILDA'S CLUB WESTCHESTER, INC.**

**STATEMENTS OF FINANCIAL POSITION**  
**AS OF JUNE 30,**

	2020	2019
<b>ASSETS</b>		
<b>Current Assets:</b>		
Cash and cash equivalents.....	\$ 472,486	\$ 288,362
Investments.....	451,511	538,269
Contributions and grants receivable.....	150,923	250,893
Prepaid expenses and other current assets.....	68,037	24,912
<b>TOTAL CURRENT ASSETS</b>	1,142,957	1,102,436
Property and equipment, net of accumulated depreciation.....	1,155,621	1,208,189
<b>TOTAL ASSETS</b>	<b>\$ 2,298,578</b>	<b>\$ 2,310,625</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities:</b>		
Current portion of mortgage payable.....	\$ 6,286	\$ 5,936
Accounts payable and accrued expenses.....	88,860	104,932
Deferred revenue.....	84,319	66,596
<b>TOTAL CURRENT LIABILITIES</b>	179,465	177,464
Mortgage payable, net of current portion.....	120,133	125,134
<b>TOTAL LIABILITIES</b>	299,598	302,598
<b>Net Assets:</b>		
Without donor restrictions.....	1,809,095	1,908,027
With donor restrictions.....	189,885	100,000
<b>TOTAL NET ASSETS</b>	1,998,980	2,008,027
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 2,298,578</b>	<b>\$ 2,310,625</b>

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

**GILDA'S CLUB WESTCHESTER, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE:</b>			
Contributions and grants.....	\$ 321,593	\$ 277,500	\$ 599,093
Special events, net of direct benefits to donors of \$44,851.....	561,827	-	561,827
Contract services.....	97,028	-	97,028
Return on investments.....	21,455	-	21,455
Paycheck Protection Program loan forgiveness.....	183,000	-	183,000
Other income.....	7,754	-	7,754
Net assets released from restrictions.....	187,615	(187,615)	-
<b>TOTAL SUPPORT AND REVENUE</b>	1,380,272	89,885	1,470,157
<b>EXPENSES:</b>			
<b>Program Services:</b>			
Non-clinical support.....	90,878	-	90,878
Adult clinical support.....	385,390	-	385,390
Children, teens, and families program.....	141,669	-	141,669
School based programs.....	40,836	-	40,836
Community based programs.....	96,836	-	96,836
Education and information outreach.....	282,975	-	282,975
<b>TOTAL PROGRAM SERVICES</b>	1,038,584	-	1,038,584
<b>Support Services:</b>			
General and administrative.....	188,443	-	188,443
Fundraising.....	252,177	-	252,177
<b>TOTAL SUPPORT SERVICES</b>	440,620	-	440,620
<b>TOTAL EXPENSES</b>	1,479,204	-	1,479,204
<b>CHANGE IN NET ASSETS</b>	(98,932)	89,885	(9,047)
Net assets, beginning of year.....	1,908,027	100,000	2,008,027
Net assets, end of year.....	\$ 1,809,095	\$ 189,885	\$ 1,998,980

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

**GILDA'S CLUB WESTCHESTER, INC.**

**STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUE:</b>			
Contributions and grants.....	\$ 549,994	\$ 100,000	\$ 649,994
Special events, net of direct benefits to donors of \$87,226.....	434,126	-	434,126
Contract services.....	109,444	-	109,444
Return on investments.....	19,089	-	19,089
Paycheck Protection Program loan forgiveness.....	-	-	-
Other income.....	8,738	-	8,738
Net assets released from restrictions.....	10,500	(10,500)	-
<b>TOTAL SUPPORT AND REVENUE</b>	1,131,891	89,500	1,221,391
<b>EXPENSES:</b>			
<b>Program Services:</b>			
Non-clinical support.....	77,363	-	77,363
Adult clinical support.....	354,350	-	354,350
Children, teens, and families program.....	210,799	-	210,799
School based programs.....	62,103	-	62,103
Community based programs.....	59,917	-	59,917
Education and information outreach.....	292,113	-	292,113
<b>TOTAL PROGRAM SERVICES</b>	1,056,645	-	1,056,645
<b>Support Services:</b>			
General and administrative.....	172,529	-	172,529
Fundraising.....	236,759	-	236,759
<b>TOTAL SUPPORT SERVICES</b>	409,288	-	409,288
<b>TOTAL EXPENSES</b>	1,465,933	-	1,465,933
<b>CHANGE IN NET ASSETS</b>	(334,042)	89,500	(244,542)
Net assets, beginning of year.....	2,242,069	10,500	2,252,569
Net assets, end of year.....	\$ 1,908,027	\$ 100,000	\$ 2,008,027

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

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2020

	Program Services						Support Services		Total	
	Non-Clinical Support	Adult Clinical Support	Children, Teens, and Families Program	School Based Programs	Community Based Programs	Education and Information Outreach	Total Program Services	General and Administrative		Fundraising
Salaries, payroll taxes, and benefits.....	\$ 57,881	\$ 270,944	\$ 98,703	\$ 30,765	\$ 63,540	\$ 213,904	\$ 735,737	\$ 90,026	\$ 186,937	\$ 1,012,700
Consultants.....	3,510	44,575	4,826	3,680	14,093	12,834	83,518	9,783	28,332	121,633
Professional fees.....	-	-	-	-	-	-	-	48,150	-	48,150
Computer, internet, and telephone.....	4,955	4,594	1,621	592	1,023	7,229	20,014	1,741	14,454	36,209
Occupancy.....	2,965	18,428	9,647	1,686	3,747	13,069	49,542	637	1,190	51,369
Equipment rental and maintenance.....	1,279	7,732	4,082	676	1,508	5,537	20,814	264	500	21,578
Office, program, and other.....	13,513	3,743	3,828	309	655	2,310	24,358	1,244	1,188	26,790
Postage and printing.....	928	1,426	1,552	126	281	3,383	7,696	210	11,071	18,977
Travel.....	736	3,514	1,265	411	1,800	2,798	10,524	1,720	2,481	14,725
Insurance.....	1,322	7,990	4,220	699	1,559	5,724	21,514	3,712	2,020	27,246
Charges, fees, and miscellaneous.....	-	-	-	-	-	-	-	30,198	353	30,551
Depreciation.....	3,789	22,444	11,925	1,892	4,237	16,187	60,474	758	1,451	62,683
Bad debt expense.....	-	-	-	-	4,393	-	4,393	-	2,200	6,593
<b>Total Expenses</b>	<b>\$ 90,878</b>	<b>\$ 385,390</b>	<b>\$ 141,669</b>	<b>\$ 40,836</b>	<b>\$ 96,836</b>	<b>\$ 282,975</b>	<b>\$ 1,038,584</b>	<b>\$ 188,443</b>	<b>\$ 252,177</b>	<b>\$ 1,479,204</b>

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



STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2019

	Program Services						Support Services		Total	
	Non-Clinical Support	Adult Clinical Support	Children, Teens, and Families Program	School Based Programs	Community Based Programs	Education and Information Outreach	Total Program Services	General and Administrative		Fundraising
Salaries, payroll taxes, and benefits.....	\$ 37,361	\$ 224,799	\$ 166,501	\$ 48,019	\$ 37,281	\$ 216,909	\$ 730,870	\$ 87,753	\$ 176,582	\$ 995,205
Consultants.....	306	49,087	3,828	306	10,639	21,170	85,336	-	28,901	114,237
Professional fees.....	-	-	-	-	-	-	-	50,515	-	50,515
Computer, internet, and telephone.....	9,791	6,066	4,493	1,296	1,006	5,853	28,505	2,368	7,004	37,877
Occupancy.....	3,395	19,710	8,386	3,175	2,122	12,158	48,946	1,392	898	51,236
Equipment rental and maintenance.....	2,143	7,976	3,394	1,285	859	4,920	20,577	307	364	21,248
Office, program, and other.....	15,047	4,495	4,433	1,049	1,308	2,828	29,160	213	1,407	30,780
Postage and printing.....	2,270	1,971	1,494	317	818	1,250	8,120	76	14,445	22,641
Travel.....	777	3,827	2,776	790	1,898	4,410	14,478	1,443	3,672	19,593
Insurance.....	744	4,322	1,838	696	465	2,666	10,731	14,587	1,565	26,883
Charges, fees, and miscellaneous.....	1,317	7,646	3,253	1,232	889	4,866	19,203	12,933	807	32,943
Depreciation.....	4,212	24,451	10,403	3,938	2,632	15,083	60,719	942	1,114	62,775
Bad debt expense.....	-	-	-	-	-	-	-	-	-	-
<b>Total Expenses</b>	<b>\$ 77,363</b>	<b>\$ 354,350</b>	<b>\$ 210,799</b>	<b>\$ 62,103</b>	<b>\$ 59,917</b>	<b>\$ 292,113</b>	<b>\$ 1,056,645</b>	<b>\$ 172,529</b>	<b>\$ 236,759</b>	<b>\$ 1,465,933</b>

**GILDA'S CLUB WESTCHESTER, INC.**

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30,**

**2020**

**2019**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Change in net assets.....	\$ (9,047)	\$ (244,542)
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Adjustments to reconcile change in net assets to net cash provided by/(used in) operating activities:

Depreciation expense.....	62,683	62,775
Net unrealized/realized investment gain.....	(9,645)	(2,516)

Changes in operating assets and liabilities:

Contributions and grants receivable.....	99,970	(204,645)
Prepaid expenses and other current assets.....	(43,125)	2,868
Accounts payable and accrued expenses.....	(16,072)	29,237
Deferred revenue.....	17,723	57,096

<b>NET CASH PROVIDED BY/(USED IN) OPERATING ACTIVITIES</b>	<b>102,487</b>	<b>(299,727)</b>
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**CASH FLOWS FROM INVESTING ACTIVITIES:**

Proceeds from investment sales.....	105,909	-
Purchases of investments.....	(9,506)	(9,620)
Purchases of property and equipment.....	-	(660)
Construction in progress.....	(10,115)	-

<b>NET CASH PROVIDED BY/(USED IN) INVESTING ACTIVITIES</b>	<b>86,288</b>	<b>(10,280)</b>
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**CASH FLOWS USED IN FINANCING ACTIVITIES:**

Repayment of mortgage payable.....	(4,651)	(5,417)
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Net change in cash and cash equivalents.....	184,124	(315,424)
Cash and cash equivalents, beginning of year.....	288,362	603,786

Cash and cash equivalents, end of year.....	<u>\$ 472,486</u>	<u>\$ 288,362</u>
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**SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:**

Cash paid for interest.....	<u>\$ 7,671</u>	<u>\$ 6,339</u>
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# GILDA'S CLUB WESTCHESTER, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Gilda's Club Westchester, Inc. ("GCW") is presented to assist in understanding GCW's financial statements. These financial statements and notes are representations of GCW's management, who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Operations: GCW is a not-for-profit organization organized in 1997 under the laws of the State of New York. GCW became an unconsolidated affiliate of Gilda's Club Worldwide (the "national organization") in March 2001. On January 26, 2011, GCW entered into an initial licensing agreement between Cancer Support Community ("CSC") and GCW. In September 2011, CSC ratified GCW's license, giving it authority as an affiliate of CSC to operate as "Gilda's Club Westchester" in Westchester and Rockland Counties (in New York), and lower Fairfield County (in Connecticut) in Darien, Greenwich, New Canaan, Norwalk, Stamford, Weston, and Wilton. Under the terms of the licensing agreement, GCW will pay CSC an annual fee of \$13,000 to maintain its affiliation with CSC.

The general mission of GCW is to support, educate and empower cancer patients and their families. GCW provides a meeting place where people living with cancer and their families and friends can join with others to build social and emotional support as a supplement to regular care. GCW offers support groups, individual counseling, lectures, workshops, and social events free of charge at its facility in White Plains, New York (the "Clubhouse").

Program Services: GCW provides programs for people whose lives have been touched by cancer. The following is a summary of these programs:

\*All programs are currently being offered remotely (via Zoom or telehealth) due to COVID related safety concerns.

Non-clinical Support: Through lectures, classes, and workshops, GCW offers members, and in some cases, the general public, opportunities for acquiring new skills, tools, information, and techniques to learn how to live with cancer, whatever the outcome. Lectures and workshops can be on topics related to cancer as well as relaxation, mindfulness, or meditation. The larger purpose of this learning is to regain a sense of control and well-being. Lectures, which take place at the Clubhouse, offer members a supportive opportunity to build emotional and social bonds. Non-clinical support also includes exercise and wellness classes, such as yoga, "Walk and Fit," and nutrition classes, in addition to social events.

NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Adult Clinical Support:

- *Adult Support Groups* - Support groups meet weekly, semi-monthly, or monthly and provide ongoing, shared exploration of emotional and social issues related to living with cancer, caregiving, or bereavement and an opportunity to explore deeper individual and common concerns. All groups are facilitated by licensed mental health professionals.
- *Counseling Services* - Short-term counseling is provided to individuals with a cancer diagnosis, caregivers and those who have experienced a loss to address the impact of cancer/caregiving/loss in their life, exploring a range of feelings, problem solving (when indicated), and identifying social and emotional needs and goals. Counseling is provided for up to six sessions and individuals have the opportunity to include their family. Short-term counseling over the phone is also available to those who are unable to come to White Plains due to transportation, financial, or other barriers. Bilingual (Spanish) counseling support is also available in person and via telehealth.
- *Time Limited Support* - Workshops are offered to provide support to people impacted by cancer for a particular amount of time (4-6 weeks) around a specific theme or topic. Workshops have included: Survivorship Series (addressing life after cancer treatment), Coping Skills Workshops (teaching skills to manage intense emotions and inter-personal relationships during cancer treatment), Spirituality Group (exploring the potential role of spirituality and how it can bring meaning, comfort and connection), and Resiliency Skills Training (helping participants improve quality of life by empowering participants; feel better physically, mentally, emotionally and spiritually; integrate powerful self-care practices into daily life; and connect to a community of patients dedicated to living fully in the face of cancer). These workshops have been offered to the general population impacted by cancer, as well as offered specifically to men, caregivers, and for those with a particular cancer diagnosis (i.e. breast cancer).

Children, Teens, and Families Program: GCW offers several programs designed for children and teens whose lives have been touched by cancer. The Children, Teens, and Families Program includes individual and family support, activity groups, and family events. Activities for younger children (ages 4-12) are conducted in a section of the Clubhouse reserved entirely for children, named "Noogieland." Noogieland is a cheerful, safe, non-threatening place for children to get to know other children whose lives have been affected by cancer. In 2019, GCW received a grant to help construct a new Teen Center on its third floor, which will be an area dedicated to serving this special population. The Children, Teens, and Families Program is open to any child or teen, aged 4-18, touched by cancer in any way. It is the only program of its kind in Westchester County. The programs are therapeutic, helping children and teens cope with their feelings, offering a place where they can ask questions and explore emotions in a safe, supportive environment just for them.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

These include programs such as:

- *Individual and Family Counseling (Children and Teens)* - Individual and family counseling sessions from licensed professionals providing support and education around understanding cancer, identifying feelings, developing coping skills, and communication.
- *Support Groups* - Group support based on age and how the child/teen is affected by cancer (self, family member, living with loss). These groups use expressive activities to help children and teens express their feelings, learn coping skills, and join with others who have had similar experiences.
- *Gilda's CLASS* - Provides support and education to school professionals, students, and parents. GCW currently offer Gilda's CLASS in 80+ schools in Westchester County and Connecticut through consultations and crisis management, counseling support and education to students and professionals, educational workshops and trainings, and an online curriculum for middle and high school health and science classes.
- *Youth Committee* - A volunteer group of high school students from thirty different schools who work together to raise awareness for GCW and the importance of psychosocial cancer support. Also, GCW's Teen Essay Contest provides an opportunity for high school students impacted by cancer to use writing as a way to share their cancer experiences and gain support.

Other programs include:

- *School Based Programs* - Programming performed in schools for students, parents, and/or school professionals focused on the value of social and emotional support to all those impacted by cancer. In addition to presentations (many inside classrooms), the school professionals are given tools to support the students and their families who are impacted by cancer.
- *Community Based Programs* - Because not everyone can come to the Clubhouse for support, new medical and hospital partnerships offer support programs onsite at these partnership facilities. GCW also provides phone support where it offers individual counseling by phone in English or Spanish. Other programs are offered in area schools and other sites in the community.
- *Education and Information Outreach* - GCW also provides education and outreach through a variety of activities, including informal partnerships with a network of community-based organizations, lectures and workshops, and information on cancer-related resources.

## GILDA'S CLUB WESTCHESTER, INC.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to all of the programming mentioned above, there are other activities that take place, usually at the Clubhouse, which provide social and emotional support to those touched by cancer, such as the Red Door Readers, the Knitting Club, Mah Jongg games, and other social events.

Recent Accounting Pronouncements: On August 18, 2016, the Financial Accounting Standards Board ("FASB") issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The FASB is a private, non-profit organization standard-setting body whose primary purpose is to establish and improve accounting principles generally accepted in the United States of America. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. GCW adopted ASU 2016-14 during the year ended June 30, 2019 and adjusted the presentation of these statements accordingly.

During the year ended June 30, 2020, GCW adopted ASU 2014-09, *Revenue from Contracts with Customers*, and all subsequent amendments to the ASU (collectively, "ASC 606"), which (i) creates a single framework for recognizing revenue from contracts with customers that fall within its scope and (ii) revises when it is appropriate to recognize a gain (loss) from the transfer of nonfinancial assets. GCW's services that fall within the scope of ASC 606 are presented within contract services and special events and are recognized as revenue as GCW satisfies its obligations to its constituents. Services within the scope of ASC 606 are included in Note 1. There was no impact on net assets attributable to the adoption of ASC 606.

During the year ended June 30, 2020, GCW adopted the FASB ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. ASU 2018-08 amends ASC 958, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU were intended to assist entities in (1) evaluating whether (reciprocal) transactions subject to other guidance (i.e. ASC 606) and (2) determining whether a contribution(s) is conditional. GCW has determined that there is no impact to the financial statements as a result of the adoption of this ASU.

Income Tax Status: GCW is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code. In addition, GCW qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2). GCW is also exempt from state and local taxes. GCW evaluated for uncertain tax positions and has determined that there were no uncertain tax positions for 2019 and 2018.

GCW files an IRS Form 990 and respective state and local tax returns. These tax returns are subject to review and examination by federal, state, and local authorities. GCW has determined that it has registered in all states where it is required to be registered.

**GILDA'S CLUB WESTCHESTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Presentation: GCW is required to report information regarding its financial position and activities according to the following net asset classifications:

Net Assets without Donor Restrictions - Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions - Net assets subject to donor-imposed stipulations or other stipulations that may or will be met, either by action of GCW and/or the passage of time. When a restriction expires, these net assets are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions. Other donor restrictions are perpetual in nature, whereby the donor has stipulated the funds be maintained in perpetuity.

Cash and Cash Equivalents: For purposes of the statements of cash flows, GCW considers all highly liquid financial instruments with an initial maturity of three months or less to be cash equivalents.

Investments: Investments in money market funds, mutual funds, structured products, and certificates of deposit are stated at their fair values. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Property and Equipment: Property and equipment are stated at original cost or estimated appraisal value if donated. Such donations are reported as unrestricted support unless the donor has restricted the donated assets for a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Maintenance and repairs are charged to expense and betterments are capitalized.

Depreciation is computed using the straight-line method over the assets' estimated useful lives, as follows:

Building and building improvements.....	7-40 years
Office equipment.....	3-7 years
Website development and database.....	5 years
Furniture and fixtures .....	7-10 years

Compensated Absences: At June 30, 2020 and 2019, GCW had a practice to allow employees to accrue unused vacation time. These amounts have been included with accounts payable and accrued expenses in the accompanying statements of financial position.

Use of 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 the reported amounts of assets and liabilities and

## GILDA'S CLUB WESTCHESTER, INC.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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#### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Revenue Recognition: GCW recognizes revenue from foundations and corporate grants in the period these grants are pledged. All other contributions are recognized as revenue upon the receipt of cash. Contract service revenue is recognized as services are rendered.

Contributions: Contributions are recognized when the donor makes a promise to give to GCW that is, in substance, unconditional. Contributions received with no restrictions are reported as contributions without donor restrictions. Contributions with requirements for the use of the assets for a specific purpose or for a stipulated amount of time are reported as contributions with donor restrictions. When a restriction is met, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported in the statements of activities as net assets released from restrictions.

Special Events: GCW holds fundraising events to provide additional support for its operations. Revenue from these events is recorded at the time each event takes place. Costs incurred for which a donor receives a direct benefit have been offset against the revenue earned. Other costs related to the event for which the donor does not receive a direct benefit are included within fundraising costs.

Functional Expenses: The costs of providing the various programs and other activities have been summarized on a functional basis in the accompanying statements of activities and functional expenses. Accordingly, certain costs have been allocated by management among the program, general and administrative, and fundraising categories. Those costs that cannot be directly assigned to a category are allocated based upon reasonable allocation methodologies, the most significant of which are:

- Salaries are allocated based on an estimate of time spent on program related functions, general and administrative, and fundraising activities.
- Payroll taxes and fringe benefits are allocated based upon salary allocations.
- Consultants are charged directly to respective programs.
- Occupancy is allocated based on square footage utilized by program related functions, general and administrative, and fundraising activities.
- Depreciation is allocated based on square footage utilized by program related functions, general and administrative, and fundraising activities.

Donated Assets and Services: GCW receives donated merchandise and other assets, and records these items at the fair value at their dates of contribution. GCW benefits from volunteer services in program, fundraising, and administrative duties from Board members and other volunteers. Even though these donated services are valuable to GCW, and help to advance GCW's mission, no amounts have been reflected in the financial statements for contributed services inasmuch as such services do not meet the criteria for recognition in the financial statements, nor do they create or enhance nonfinancial assets.



# GILDA'S CLUB WESTCHESTER, INC.

## NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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### NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Subsequent Events: GCW has evaluated events and transactions that occurred between July 1, 2020 and November 20, 2020, which is the date the financial statements were available to be issued, for possible disclosure and recognition in the financial statements.

### NOTE 2 - INVESTMENTS

GCW presents investments in the statements of financial position at fair value. A fair value hierarchy has been established based upon the observability of inputs to the evaluation of an asset or liability as of the measurement date. The three-level valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair value levels (Level 1, 2, and 3):

- *Level 1* - Level 1 investments are valued using observable inputs that reflect quoted prices for identical assets or liabilities in active markets that GCW has the ability to access at the measurement date.
- *Level 2* - Level 2 investments are valued using observable inputs, other than quoted prices included in Level 1, for the asset or liability or prices for similar assets and liabilities.
- *Level 3* - Level 3 investments are valued using valuations that are derived from techniques in which one or more of the significant inputs are unobservable (including assumptions about risk). Because Level 3 fair values, by their nature, contain unobservable market inputs as there is no observable market for these assets and liabilities, considerable judgment is used to determine the Level 3 fair values. Level 3 fair values represent GCW's best estimate of an amount that could be realized in a current market exchange absent actual market exchanges.

The money market, mutual funds, and government securities held by GCW are all considered Level 1 investments because they are regularly traded and have quoted prices in active markets.

The fair value of the investments in marketable securities as of June 30, 2020 and 2019 approximated their original cost.

The following schedule summarizes GCW's investments by major security type at June 30,:

	<u>2020</u>	<u>2019</u>
Money market funds .....	\$ 3,775	\$ 101,803
Mutual funds .....	447,736	436,466
Total investments .....	<u>\$ 451,511</u>	<u>\$ 538,269</u>

## GILDA'S CLUB WESTCHESTER, INC.

### NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2020 AND 2019

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#### NOTE 2 - INVESTMENTS (continued)

GCW's investments are exposed to risks such as interest rate and market risks. Due to the level of risk associated with certain investment vehicles, it is possible that changes in the values of investment holdings could occur in the near term and that such change could materially affect the amounts reported in the accompanying statements of financial position.

#### NOTE 3 - PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at June 30,:

	<u>2020</u>	<u>2019</u>
Land.....	\$ 139,868	\$ 139,868
Building and building improvements.....	1,915,463	1,915,463
Construction in progress.....	10,115	-
Office equipment.....	83,202	83,202
Website development.....	31,600	31,600
Database.....	11,650	11,650
Furniture and fixtures.....	276,883	276,883
Property and equipment, at cost.....	<u>2,468,781</u>	<u>2,458,666</u>
Less: accumulated depreciation.....	<u>(1,313,160)</u>	<u>(1,250,477)</u>
Net property and equipment.....	<u>\$ 1,155,621</u>	<u>\$ 1,208,189</u>

#### NOTE 4 - EMPLOYEE BENEFIT PLANS

GCW provides a defined contribution 403(b) employee savings plan (the "Plan") for all eligible employees. Pursuant to the terms of the Plan, participants can defer a portion of their income through contributions to the Plan. GCW may make contributions to the Plan at the discretion of the Board of Directors. For the years ended June 30, 2020 and 2019, GCW made discretionary contributions of \$13,338 and \$18,919, respectively.

#### NOTE 5 - CONCENTRATIONS OF RISK

GCW holds cash and investments with financial institutions. From time to time, balances held at these financial institutions exceed insured limits. Management believes there is little risk of loss associated with these accounts.

During the year ended June 30, 2020, approximately 35% of GCW's contributions and grants revenue was provided by two grantors. During the year ended June 30, 2019, approximately 38% of GCW's contributions and grants revenue was provided by one grantor and two donors.

**GILDA'S CLUB WESTCHESTER, INC.**

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

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**NOTE 6 - DEFERRED REVENUE**

Deferred revenue represents amounts collected in advance from donors for special events for which the revenue has not yet been earned as the events have not yet taken place. Deferred revenue is recognized as revenue on the dates the respective special events take place. These amounts have been included in the accompanying statements of financial position and represent money received in advance for the Golf and Tennis Invitational, Noogiefest, Annual Appeal, FitFest, and Mah Jongg events that took place in each subsequent year.

**NOTE 7 - MORTGAGE NOTES PAYABLE**

On February 25, 2009, GCW entered into a mortgage note payable in the amount of \$180,000, which was secured by the Clubhouse in White Plains. This mortgage note provided for equal monthly payments of \$1,034 of principal and interest at 4.75% per annum and expired in February 2019. On March 1, 2019, GCW refinanced the mortgage note and extended the maturity date to March 1, 2029. The new mortgage note payable is in the amount of \$132,910, which represents the principal balance remaining on the previous mortgage note payable as of its maturity date. The new mortgage note payable is secured by the Clubhouse in White Plains. The mortgage note provides for equal monthly installments of \$1,109 of principal and interest at 5.75% per annum, based on an amortization of fifteen years, commencing on April 1, 2019 through March 1, 2026. Commencing on April 1, 2026 and through the maturity date, the mortgage note requires equal monthly installments of principal and interest in such amount as would be necessary to fully amortize the principal amount of the note over a fifteen-year term at an interest rate equal to the greater of 5.75% per annum or the Cost of Funds Rate at March 1, 2026 plus 2.00% per annum. The Cost of Funds Rate shall be based on the cost of obtaining funds from the Federal Home Loan Bank of New York at the Fixed Rate Advance. All unpaid principal and accrued interest will be due and payable at maturity on March 1, 2029.

The mortgage note includes a financial covenant that requires GCW to meet a debt service coverage ratio of 1:1. As of June 30, 2020, this covenant was met.

Future obligations pursuant to this mortgage note payable are as follows for the years ending June 30,:

2021 .....	\$	6,286
2022 .....		7,195
2023 .....		7,050
2024 .....		7,466
2025 .....		7,907
2026 and thereafter.....		<u>90,515</u>
Total .....	\$	<u>126,419</u>

## **GILDA'S CLUB WESTCHESTER, INC.**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2020 AND 2019**

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#### **NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS**

All net assets with donor restrictions were restricted to be spent on the Teen Center as of both June 30, 2020 and 2019. Of the total net assets with donor restrictions as of June 30, 2020 and 2019, \$100,000 was included in contributions and grants receivable as of June 30, 2020 and 2019 in the accompanying statements of financial position.

During the year ended June 30, 2020, \$100,000 was added to net assets with donor restrictions, while \$10,115 was released from net assets with donor restrictions for capital improvements to the Teen Center, resulting in the \$189,885 balance restricted for the Teen Center at year-end.

During the years ended June 30, 2020 and 2019, a total of \$187,615 and \$10,500 were released from net assets with donor restrictions, respectively. During the years ended June 30, 2020 and 2019, \$177,500 and \$146,000, respectively, of contributions and grants with donor restrictions were received and spent in full for their restricted purpose and were treated as contributions and grants without donor restrictions on the accompanying statements of activities.

#### **NOTE 9 - AVAILABILITY AND LIQUIDITY**

The following represents GCW's financial assets at June 30,:

	<u>2020</u>	<u>2019</u>
Cash and cash equivalents.....	\$ 472,486	\$ 288,362
Investments.....	451,511	538,269
Contributions and grants receivable .....	149,898	250,893
Total financial assets .....	<u>1,073,895</u>	<u>1,077,524</u>
Less net assets with donor restrictions.....	<u>(189,885)</u>	<u>(100,000)</u>
Total financial assets available to meet general expenditures over the next twelve months .....	<u>\$ 884,010</u>	<u>\$ 977,524</u>

As of June 30, 2020, GCW had investments of approximately \$452,000. Such investments can be drawn down, if needed, to fund current operations. It is GCW's intention to maintain these investments as a reserve that generates income to be used for current operations. GCW intends to fund capital additions and improvements by obtaining restricted contributions.

#### **NOTE 10 - FINANCIAL IMPACTS RELATED TO THE COVID-19 PANDEMIC**

As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen, which may negatively impact the value of investments and operating results. The financial impact of this matter cannot be estimated at this time.

*GILDA'S CLUB WESTCHESTER, INC.*

*NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED JUNE 30, 2020 AND 2019*

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**NOTE 10 - FINANCIAL IMPACTS RELATED TO THE COVID-19 PANDEMIC (continued)**

During the year ended June 30, 2020, GCW received a loan of \$183,000 as part of the Paycheck Protection Program of the United States of America CARES Act. The loan may be forgiven entirely based on levels of qualified expenditures to be made by GCW over a period subsequent to funding. Any amount not forgiven will be required to be repaid and amortized over a five-year term at an interest rate of 1%. GCW expended the balance of the loan on qualified expenditures subsequent to the funding date through the year ended June 30, 2020. As such, management expects all of this loan will be forgiven, and has recognized \$183,000 of Paycheck Protection Program loan forgiveness income within the accompanying statement of activities for the year ended June 30, 2020. GCW expects to file its loan forgiveness application during the year ending June 30, 2021.