



GILDA'S CLUB WESTCHESTER, INC.

*FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT*

FOR THE YEARS ENDED JUNE 30, 2021 AND 2020



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GILDA'S CLUB WESTCHESTER, INC.

*FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020
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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, 2021 and 2020, 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, 2021 and 2020, 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

Bohemia, New York
January 26, 2022

GILDA'S CLUB WESTCHESTER, INC.

STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30,

	2021	2020
ASSETS		
Current Assets:		
Cash and cash equivalents.....	\$ 628,200	\$ 472,486
Investments.....	552,155	451,511
Contributions and grants receivable.....	142,210	150,923
Prepaid expenses and other current assets.....	34,160	68,037
	TOTAL CURRENT ASSETS	1,356,725
Property and equipment, net of accumulated depreciation.....	1,083,250	1,155,621
	TOTAL ASSETS	\$ 2,439,975
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Current portion of mortgage payable.....	\$ 6,625	\$ 6,286
Accounts payable and accrued expenses.....	97,851	88,860
Deferred revenue.....	26,988	84,319
	TOTAL CURRENT LIABILITIES	131,464
Mortgage payable, net of current portion.....	115,712	120,133
	TOTAL LIABILITIES	247,176
Net Assets:		
Without donor restrictions.....	2,032,792	1,809,095
With donor restrictions.....	160,007	189,885
	TOTAL NET ASSETS	1,998,980
	TOTAL LIABILITIES AND NET ASSETS	\$ 2,439,975

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, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions and grants.....	\$ 632,888	\$ -	\$ 632,888
Special events, net of direct benefits to donors of \$47,213.....	495,823	-	495,823
Contract services.....	74,090	-	74,090
Return on investments.....	108,483	-	108,483
Paycheck Protection Program loan forgiveness.....	183,615	-	183,615
Other income.....	688	-	688
Net assets released from restrictions.....	29,878	(29,878)	-
TOTAL SUPPORT AND REVENUE	1,525,465	(29,878)	1,495,587
EXPENSES:			
Program Services:			
Non-clinical support.....	107,087	-	107,087
Adult clinical support.....	362,669	-	362,669
Children, teens, and families program.....	122,132	-	122,132
School based programs.....	25,922	-	25,922
Community based programs.....	136,603	-	136,603
Education and information outreach.....	154,452	-	154,452
TOTAL PROGRAM SERVICES	908,865	-	908,865
Support Services:			
General and administrative.....	222,451	-	222,451
Fundraising.....	170,452	-	170,452
TOTAL SUPPORT SERVICES	392,903	-	392,903
TOTAL EXPENSES	1,301,768	-	1,301,768
CHANGE IN NET ASSETS	223,697	(29,878)	193,819
Net assets, beginning of year.....	1,809,095	189,885	1,998,980
Net assets, end of year.....	\$ 2,032,792	\$ 160,007	\$ 2,192,799

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**

	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:			
Contributions and grants.....	\$ 499,093	\$ 100,000	\$ 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.....	10,115	(10,115)	-
TOTAL SUPPORT AND REVENUE	1,380,272	89,885	1,470,157
EXPENSES:			
Program Services:			
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
TOTAL PROGRAM SERVICES	1,038,584	-	1,038,584
Support Services:			
General and administrative.....	188,443	-	188,443
Fundraising.....	252,177	-	252,177
TOTAL SUPPORT SERVICES	440,620	-	440,620
TOTAL EXPENSES	1,479,204	-	1,479,204
CHANGE IN NET ASSETS	(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.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2021

	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		Total Support Services
Salaries, payroll taxes, and benefits.....	\$ 79,143	\$ 233,789	\$ 83,451	\$ 17,702	\$ 121,314	\$ 101,152	\$ 636,551	\$ 75,600	\$ 126,720	\$ 202,320	\$ 838,871
Consultants.....	6,929	45,873	329	29	1,474	4,225	58,859	742	18,157	18,899	77,758
Professional fees.....	-	-	-	-	-	-	-	75,384	-	75,384	75,384
Computer, internet, and telephone.....	4,264	7,123	2,576	485	2,227	6,934	23,609	6,182	9,783	15,965	39,574
Occupancy.....	4,421	19,345	8,567	2,106	2,600	8,051	45,090	732	1,069	1,801	46,891
Equipment rental and maintenance.....	1,906	10,347	4,400	1,053	1,272	5,316	24,294	691	581	1,272	25,566
Office, program, and other.....	2,926	8,896	3,868	934	1,116	4,334	22,074	29,311	1,055	30,366	52,440
Postage and printing.....	301	1,648	705	170	202	784	3,810	244	7,965	8,209	12,019
Travel.....	74	216	78	14	67	186	635	9,454	113	9,567	10,202
Insurance.....	2,344	10,061	4,941	1,385	1,322	5,209	25,262	459	1,273	1,732	26,994
Charges, fees, and miscellaneous.....	1,174	3,142	1,202	242	804	2,040	8,604	22,905	2,304	25,209	33,813
Depreciation.....	3,605	22,229	12,015	1,802	4,205	16,221	60,077	747	1,432	2,179	62,256
Bad debt expense.....	-	-	-	-	-	-	-	-	-	-	-
Total Expenses	<u>\$ 107,087</u>	<u>\$ 362,669</u>	<u>\$ 122,132</u>	<u>\$ 25,922</u>	<u>\$ 136,603</u>	<u>\$ 154,452</u>	<u>\$ 908,865</u>	<u>\$ 222,451</u>	<u>\$ 170,452</u>	<u>\$ 392,903</u>	<u>\$ 1,301,768</u>

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	Total Support Services	
Salaries, payroll taxes, and benefits.....	\$ 57,881	\$ 270,944	\$ 98,703	\$ 30,765	\$ 63,540	\$ 213,904	\$ 735,737	\$ 90,026	\$ 186,937	\$ 276,963	\$ 1,012,700
Consultants.....	3,510	44,575	4,826	3,680	14,093	12,834	83,518	9,783	28,332	38,115	121,633
Professional fees.....	-	-	-	-	-	-	-	48,150	-	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	16,195	36,209
Occupancy.....	2,965	18,428	9,647	1,686	3,747	13,069	49,542	637	1,190	1,827	51,369
Equipment rental and maintenance.....	1,279	7,732	4,082	676	1,508	5,537	20,814	264	500	764	21,578
Office, program, and other.....	13,513	3,743	3,828	309	655	2,310	24,358	1,244	1,188	2,432	26,790
Postage and printing.....	928	1,426	1,552	126	281	3,383	7,696	210	11,071	11,281	18,977
Travel.....	736	3,514	1,265	411	1,800	2,798	10,524	1,720	2,481	4,201	14,725
Insurance.....	1,322	7,990	4,220	699	1,559	5,724	21,514	3,712	2,020	5,732	27,246
Charges, fees, and miscellaneous.....	-	-	-	-	-	-	-	30,198	353	30,551	30,551
Depreciation.....	3,789	22,444	11,925	1,892	4,237	16,187	60,474	758	1,451	2,209	62,683
Bad debt expense.....	-	-	-	-	4,393	-	4,393	-	2,200	2,200	6,593
Total Expenses	\$ 90,878	\$ 385,390	\$ 141,669	\$ 40,836	\$ 96,836	\$ 282,975	\$ 1,038,584	\$ 188,443	\$ 252,177	\$ 440,620	\$ 1,479,204

GILDA'S CLUB WESTCHESTER, INC.

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

2021

2020

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets.....	\$ 193,819	\$ (9,047)
<u>Adjustments to reconcile change in net assets to net cash used in operating activities:</u>		
Depreciation expense.....	62,256	62,683
Net unrealized/realized investment gain.....	(89,846)	(9,645)
Paycheck Protection Program forgiveness income.....	(183,615)	(183,000)
Loss on disposal of fixed assets.....	10,115	-
<u>Changes in operating assets and liabilities:</u>		
Contributions and grants receivable.....	8,713	99,970
Prepaid expenses and other current assets.....	33,876	(43,125)
Accounts payable and accrued expenses.....	8,991	(16,072)
Deferred revenue.....	(57,331)	17,723
NET CASH USED IN OPERATING ACTIVITIES	(13,022)	(80,513)

CASH FLOWS FROM INVESTING ACTIVITIES:

Proceeds from investment sales.....	-	105,909
Purchases of investments.....	(10,797)	(9,506)
Construction in progress.....	-	(10,115)
NET CASH (USED IN) / PROVIDED BY INVESTING ACTIVITIES	(10,797)	86,288

CASH FLOWS FROM FINANCING ACTIVITIES:

Repayment of mortgage payable.....	(4,082)	(4,651)
Proceeds from Paycheck Protection Program loans.....	183,615	183,000
NET CASH PROVIDED BY FINANCING ACTIVITIES	179,533	178,349

Net change in cash and cash equivalents.....	155,714	184,124
Cash and cash equivalents, beginning of year.....	472,486	288,362
Cash and cash equivalents, end of year.....	<u>\$ 628,200</u>	<u>\$ 472,486</u>

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION:

Cash paid for interest.....	<u>\$ 9,232</u>	<u>\$ 7,671</u>
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The accompanying notes are an integral part of these financial statements.

GILDA'S CLUB WESTCHESTER, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

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 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, 2021 AND 2020

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 families. Bilingual (Spanish) counseling support is also available.
- *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. 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, 2021 AND 2020**

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, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

In addition to all of the programming mentioned above, there are other activities that take place, 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: 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 and event attendees, etc. 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 2021 and 2020.

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, 2021 AND 2020**

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, 2021 and 2020, 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.

GILDA'S CLUB WESTCHESTER, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 used to satisfy related contracts. Grants yet to be collected but were earned as of the end of the year are considered receivables. 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.

GILDA'S CLUB WESTCHESTER, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Subsequent Events: GCW has evaluated events and transactions that occurred between July 1, 2021 and January 26, 2022, 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, 2021 and 2020 approximated their original cost.

GILDA'S CLUB WESTCHESTER, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 2 - INVESTMENTS (continued)

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

	<u>2021</u>	<u>2020</u>
Money market funds	\$ 3,579	\$ 3,775
Mutual funds	548,576	447,736
Total investments	<u>\$ 552,155</u>	<u>\$ 451,511</u>

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>2021</u>	<u>2020</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>2,458,666</u>	<u>2,468,781</u>
Less: accumulated depreciation	(1,375,416)	(1,313,160)
Net property and equipment.....	<u>\$ 1,083,250</u>	<u>\$ 1,155,621</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. There were no discretionary contributions made for the year ended June 30, 2021. For the year ended June 30, 2020, GCW made discretionary contributions of \$13,338.

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.

GILDA'S CLUB WESTCHESTER, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 5 - CONCENTRATIONS OF RISK (continued)

During the year ended June 30, 2021, approximately 40% of GCW's contributions and grants revenue was provided by three grantors. During the year ended June 30, 2020, approximately 33% of GCW's contributions and grants revenue was provided by two grantors.

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, New York. 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, New York. 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, 2021, this covenant was met.

GILDA'S CLUB WESTCHESTER, INC.

**NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED JUNE 30, 2021 AND 2020**

NOTE 7 - MORTGAGE NOTES PAYABLE (continued)

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

2022	\$	6,625
2023		7,017
2024		7,431
2025		7,870
2026		8,334
2027 and thereafter		85,060
Total	\$	<u>122,337</u>

NOTE 8 - NET ASSETS WITH DONOR RESTRICTIONS

During the year ended June 30, 2021, there were no additions to net assets with donor restrictions, while \$29,878 was released from net assets with donor restrictions for capital improvements to the Teen Center. There is \$160,007 restricted for the Teen Center.

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, 2021 and 2020, a total of \$332,078 and \$187,615 were released from net assets with donor restrictions, respectively. During the years ended June 30, 2021 and 2020, \$302,200 and \$177,500, 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>2021</u>	<u>2020</u>
Cash and cash equivalents.....	\$ 628,200	\$ 472,486
Investments.....	552,155	451,511
Contributions and grants receivable	<u>142,210</u>	<u>150,923</u>
Total financial assets	1,322,565	1,074,920
Less net assets with donor restrictions.....	<u>(160,007)</u>	<u>(189,885)</u>
Total financial assets available to meet general expenditures over the next twelve months	<u>\$ 1,162,558</u>	<u>\$ 885,035</u>

GILDA'S CLUB WESTCHESTER, INC.

NOTES TO FINANCIAL STATEMENTS FOR THE YEARS ENDED JUNE 30, 2021 AND 2020

NOTE 9 - AVAILABILITY AND LIQUIDITY (continued)

As of June 30, 2021, GCW had investments of approximately \$552,000. 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 full financial impact of this matter cannot be estimated at this time.

During the year ended June 30, 2021, GCW received a loan of \$183,615 as part of the Paycheck Protection Program ("PPP") of the United States Coronavirus Aid, Relief, and Economic Security ("CARES") Act. The loan is expected to 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, 2021. As such, management expects all of this loan will be forgiven, and has recognized \$183,615 of Paycheck Protection Program loan forgiveness income within the accompanying statement of activities for the year ended June 30, 2021. GCW expects to file its loan forgiveness application during the year ending June 30, 2022.

During the year ended June 30, 2020, GCW received an initial loan of \$183,000. The loan was forgiven entirely on July 27, 2021 based on levels of qualified expenditures to be made by GCW over a period subsequent to funding. GCW recognized Paycheck Protection Program loan forgiveness income of \$183,000 during the year ended June 30, 2020.