

GILDA'S CLUB MADISON WISCONSIN, INC.

FINANCIAL STATEMENTS

December 31, 2017 and 2016

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Gilda's Club Madison Wisconsin, Inc.
Middleton, Wisconsin

We have audited the accompanying financial statements of Gilda's Club Madison Wisconsin, Inc., which comprise the statements of financial position as of December 31, 2017 and 2016, 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.

Auditor's 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 audit 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 auditor's 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 auditor considers internal control relevant to the entity'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 the entity'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 Gilda's Club Madison Wisconsin, Inc. as of December 31, 2017 and 2016, 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.

Wegner CPAs LLP

Wegner CPAs, LLP
Madison, Wisconsin
April 13, 2018

Janesville Office:
101 E. Milwaukee Street
Suite 425
Janesville, WI 53545
P: (608) 756-4020

Baraboo Office:
123 Second Street
P.O. Box 150
Baraboo, WI 53913
P: (608) 356-3966
F: (608) 356-2966

Milwaukee Office:
W229 N1433 Westwood Drive
Suite 105
Waukesha, WI 53186
P: (262) 522-7555
F: (262) 522-7550

Madison Office:
2110 Luann Lane
Madison, WI 53713
P: (608) 274-4020
F: (608) 274-0775

www.wegnercpas.com
info@wegnercpas.com
(888) 204-7665

GILDA'S CLUB MADISON WISCONSIN, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2017 and 2016

	2017	2016
ASSETS		
Cash	\$ 708,335	\$ 439,570
Certificates of deposit	490,228	608,734
Prepaid expenses	17,059	13,964
Unconditional promises to give	125,429	96,060
Property and equipment - net	<u>2,622,680</u>	<u>2,690,985</u>
Total assets	<u>\$ 3,963,731</u>	<u>\$ 3,849,313</u>
LIABILITIES		
Accounts payable	\$ 12,433	\$ 9,974
Accrued payroll	<u>24,617</u>	<u>20,330</u>
Total liabilities	37,050	30,304
NET ASSETS		
Undesignated	1,010,761	1,012,991
Designated for building maintenance	16,667	16,667
Designated for property and equipment	<u>2,622,680</u>	<u>2,690,985</u>
Unrestricted	3,650,108	3,720,643
Temporarily restricted	<u>276,573</u>	<u>98,366</u>
Total net assets	<u>3,926,681</u>	<u>3,819,009</u>
Total liabilities and net assets	<u>\$ 3,963,731</u>	<u>\$ 3,849,313</u>

See accompanying notes.

GILDA'S CLUB MADISON WISCONSIN, INC.
STATEMENTS OF ACTIVITIES
Years ended December 31, 2017 and 2016

	2017	2016
UNRESTRICTED NET ASSETS		
SUPPORT AND OTHER REVENUE		
Contributions	\$ 635,574	\$ 553,395
Special events	237,702	351,895
Less costs of direct benefits to donors	(38,592)	(75,615)
Interest income	9,404	8,588
Other	260	328
	<u>844,348</u>	<u>838,591</u>
EXPENSES AND LOSSES		
Program services	693,550	647,164
Management and general	94,233	80,852
Fundraising	177,986	191,271
	<u>965,769</u>	<u>919,287</u>
Total expenses	965,769	919,287
Loss on uncollectible promises to give	4,200	-
	<u>969,969</u>	<u>919,287</u>
Total expenses and losses	969,969	919,287
Net assets released from restrictions	55,086	67,655
Change in unrestricted net assets	(70,535)	(13,041)
TEMPORARILY RESTRICTED NET ASSETS		
Contributions	233,293	50,302
Net assets released from restrictions	(55,086)	(67,655)
	<u>178,207</u>	<u>(17,353)</u>
Change in temporarily restricted net assets	178,207	(17,353)
Change in net assets	107,672	(30,394)
Net assets - beginning of year	3,819,009	3,849,403
Net assets - end of year	<u>\$ 3,926,681</u>	<u>\$ 3,819,009</u>

See accompanying notes.

GILDA'S CLUB MADISON WISCONSIN, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years ended December 31, 2017 and 2016

	Program Services	Management and General	Fundraising	Costs of Direct Benefits to Donors	2017 Total
Personnel	\$ 292,873	\$ 61,465	\$ 109,191	\$ -	\$ 463,529
Occupancy	26,241	746	1,420	-	28,407
Printing	13,814	2,899	18,241	-	34,954
Professional fees	24,637	20,509	19	-	45,165
Outreach and program promotion	193,620	-	14,252	-	207,872
Equipment and supplies	24,654	316	602	-	25,572
Telephone and internet	6,334	180	343	-	6,857
Postage	5,050	1,060	1,883	-	7,993
Other	18,369	3,855	6,849	-	29,073
Insurance	18,625	530	1,007	-	20,162
Depreciation	63,095	1,795	3,415	-	68,305
Events and awards	2,053	-	19,204	38,592	59,849
Travel and entertainment	4,185	878	1,560	-	6,623
Subtotal	693,550	94,233	177,986	38,592	1,004,361
Less costs of direct benefits to donors	-	-	-	(38,592)	(38,592)
Total expenses	\$ 693,550	\$ 94,233	\$ 177,986	\$ -	\$ 965,769
	Program Services	Management and General	Fundraising	Costs of Direct Benefits to Donors	2016 Total
Personnel	\$ 296,618	\$ 52,658	\$ 118,391	\$ -	\$ 467,667
Occupancy	33,324	948	1,803	-	36,075
Printing	9,870	2,431	12,840	-	25,141
Professional fees	25,017	15,015	288	-	40,320
Outreach and program promotion	153,551	-	10,140	-	163,691
Equipment and supplies	18,046	212	404	-	18,662
Telephone and internet	5,180	147	281	-	5,608
Postage	4,975	883	1,986	-	7,844
Other	17,087	3,595	6,820	-	27,502
Insurance	15,232	2,677	824	-	18,733
Depreciation	62,363	1,774	3,375	-	67,512
Events and awards	3,015	-	32,967	75,615	111,597
Travel and entertainment	2,886	512	1,152	-	4,550
Subtotal	647,164	80,852	191,271	75,615	994,902
Less costs of direct benefits to donors	-	-	-	(75,615)	(75,615)
Total expenses	\$ 647,164	\$ 80,852	\$ 191,271	\$ -	\$ 919,287

See accompanying notes.

GILDA'S CLUB MADISON WISCONSIN, INC.
STATEMENTS OF CASH FLOWS
Years ended December 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 107,672	\$ (30,394)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	68,305	67,512
Loss on uncollectible promises to give	4,200	-
(Increase) decrease in assets		
Prepaid expenses	(3,095)	(1,635)
Unconditional promises to give	(33,569)	(1,966)
Increase (decrease) in liabilities		
Accounts payable	2,459	(1,569)
Accrued payroll	4,287	3,423
Net cash flows from operating activities	150,259	35,371
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from certificates of deposit	125,211	-
Interest income retained in certificates of deposit	(6,705)	(7,840)
Purchases of property and equipment	-	(5,437)
Net cash flows from investing activities	118,506	(13,277)
Change in cash	268,765	22,094
Cash - beginning of year	439,570	417,476
Cash - end of year	\$ 708,335	\$ 439,570

See accompanying notes.

GILDA'S CLUB MADISON WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

Gilda's Club Madison Wisconsin, Inc. (Club) is a free, non-profit support community for anyone touched by any kind of cancer as well as their families and friends. It's a warm and welcoming, non-residential clubhouse in the Madison, Wisconsin area where men, women, and children come together to build social and emotional support as a supplement to medical care. The primary source of the Club's support is contributions from the public.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The Club is required to report information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets—Net assets that are not restricted by donors. Designations are voluntary board-approved segregations of unrestricted net assets for specific purposes, projects, or investments.

Temporarily restricted net assets—Net assets whose use has been limited by donor-imposed time restrictions or purpose restrictions.

Permanently restricted net assets—Net assets that have been restricted by donors to be maintained by the Club in perpetuity.

Promises to Give

Unconditional promises to give are recognized as support or gains in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. Uncollectible promises are written off after management makes reasonable collection efforts and determines the promises will not be collected.

Property and Equipment

Purchases of property and equipment in excess of \$3,000 are capitalized at cost. Donations of property and equipment are recorded as support at their estimated fair value on the date of donation. Property and equipment is depreciated using the straight-line method over the estimated useful lives of the assets.

Contributions

Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

GILDA'S CLUB MADISON WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Donated Services

Donated services are recognized if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Club.

Expense Allocation

The costs of providing the Club's programs and other activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

The following program services and supporting activities are included in the accompanying financial statements:

Program services – Program services include professionally facilitated support and networking groups, lectures and workshops, social activities to build community, activities that bring together members' family and friends for practical and emotional support, and the Noogieland playroom and program component for children and teens who have cancer, and whose siblings or parents have cancer.

Management and general – Management and general expenses include the costs necessary to ensure proper administrative functioning of the board of directors, manage the financial and budgetary responsibilities of the Club, and perform other administrative activities.

Fundraising – Fundraising expenses include the costs related to activities that involve inducing potential donors to contribute assets, services, or time to the Club.

Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could differ from those estimates.

Income Tax Status

The Club is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. In addition, the Club 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).

GILDA'S CLUB MADISON WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Date of Management's Review

Management has evaluated subsequent events through April 13, 2018, the date which the financial statements were available to be issued.

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

The Club maintains its cash balances at several financial institutions located in Madison, Wisconsin. Accounts at each institution are insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration up to \$250,000. At December 31, 2017 and 2016, the Club's uninsured cash balances total approximately \$66,000 and \$40,000.

NOTE 3 – PROMISES TO GIVE

Unconditional promises to give at December 31, 2017 and 2016 are as follows:

	2017	2016
Receivable in less than one year	\$ 101,518	\$ 64,038
Receivable in one to five years	24,802	32,913
Total unconditional promises to give	126,320	96,951
Less discounts to net present value	891	891
Unconditional promises to give	\$ 125,429	\$ 96,060

Promises to give receivable in more than one year are discounted at 0.10%.

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment at December 31, 2017 and 2016 consisted of the following:

	2017	2016
Land	\$ 710,000	\$ 710,000
Building and improvements	2,695,074	2,695,074
Furniture and equipment	130,335	130,335
Software	4,585	4,585
Less accumulated depreciation	917,314	849,009
Property and equipment - net	\$ 2,622,680	\$ 2,690,985

GILDA'S CLUB MADISON WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2017 and 2016

NOTE 5 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets at December 31, 2017 and 2016 are available for the following purposes or periods:

	<u>2017</u>	<u>2016</u>
Subsequent years' sponsorships	\$ 194,000	\$ 11,000
Subsequent years' activities	<u>82,573</u>	<u>87,366</u>
Temporarily restricted net assets	<u>\$ 276,573</u>	<u>\$ 98,366</u>

NOTE 6 – DONATED SERVICES

The value of the donated services for 2017 and 2016 included in the financial statements and the corresponding program services and activities for which the contributed services were used are as follows:

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>
Presenters	\$ 23,336	\$ -	\$ -
Printing services	2,425	5,934	2,778
Technology services	-	1,136	-
Other professional services	-	3,186	-
Outreach and program promotion	<u>188,176</u>	<u>-</u>	<u>12,760</u>
Donated services - 2017	<u>\$ 213,937</u>	<u>\$ 10,256</u>	<u>\$ 15,538</u>
Presenters	\$ 22,218	\$ -	\$ -
Printing services	-	5,500	-
Technology services	-	1,070	-
Other professional services	-	2,574	-
Occupancy	2,400	-	-
Outreach and program promotion	<u>148,959</u>	<u>-</u>	<u>-</u>
Donated services - 2016	<u>\$ 173,577</u>	<u>\$ 9,144</u>	<u>\$ -</u>