

GILDA'S CLUB MADISON WISCONSIN, INC.

FINANCIAL STATEMENTS

December 31, 2020 and 2019

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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, 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.

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, 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.



Wegner CPAs, LLP
Madison, Wisconsin
June 16, 2021

GILDA'S CLUB MADISON WISCONSIN, INC.
STATEMENTS OF FINANCIAL POSITION
December 31, 2020 and 2019

	2020	2019
ASSETS		
Cash	\$ 618,862	\$ 928,485
Certificates of deposit	492,766	500,040
Prepaid expenses	20,166	10,274
Unconditional promises to give	194,246	125,129
Investments	416,889	-
Property and equipment, net	2,430,391	2,500,291
Total assets	<u>\$ 4,173,320</u>	<u>\$ 4,064,219</u>
LIABILITIES		
Accounts payable	\$ 8,341	\$ 18,214
Accrued payroll	23,987	33,970
Total liabilities	32,328	52,184
NET ASSETS		
Without donor restrictions	3,976,847	3,848,406
With donor restrictions	164,145	163,629
Total net assets	<u>4,140,992</u>	<u>4,012,035</u>
Total liabilities and net assets	<u>\$ 4,173,320</u>	<u>\$ 4,064,219</u>

See accompanying notes.

GILDA'S CLUB MADISON WISCONSIN, INC.
STATEMENTS OF ACTIVITIES
Years Ended December 31, 2020 and 2019

	2020	2019
CHANGES IN NET ASSETS WITHOUT DONOR RESTRICTIONS		
OPERATING REVENUE		
Contributions	\$ 773,978	\$ 623,595
Special events	101,996	262,469
Less costs of direct benefits to donors	(50,823)	(79,753)
Investment return, net	15,921	23,908
Other	1,991	6,415
Total operating revenue	843,063	836,634
OPERATING EXPENSES AND LOSSES		
Cancer support	506,680	542,463
Management and general	94,323	113,690
Fundraising	248,247	271,197
Total expenses	849,250	927,350
Loss on uncollectible promises to give	7,200	10,346
Total operating expenses and losses	856,450	937,696
NET ASSETS RELEASED FROM RESTRICTIONS		
Satisfaction of purpose restrictions	141,828	67,182
Change in net assets without donor restrictions from operations	128,441	(33,880)
NONOPERATING ACTIVITIES		
Insurance proceeds and deductible net of flood costs (Note 9)	-	(553,493)
Change in net assets without donor restrictions	128,441	(587,373)
CHANGES IN NET ASSETS WITH DONOR RESTRICTIONS		
Contributions	142,344	125,363
Net assets released from restrictions	(141,828)	(67,182)
Change in net assets with donor restrictions	516	58,181
Change in net assets	128,957	(529,192)
Net assets at beginning of year	4,012,035	4,541,227
Net assets at end of year	\$ 4,140,992	\$ 4,012,035

See accompanying notes.

GILDA'S CLUB MADISON WISCONSIN, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
Years Ended December 31, 2020 and 2019

	2020				
	Cancer Support	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total Expenses
Personnel	\$ 298,045	\$ 58,415	\$ 199,725	\$ -	\$ 556,185
Occupancy	27,357	778	1,481	-	29,616
Printing	10,133	1,986	14,179	-	26,298
Professional fees	21,401	20,279	1,075	-	42,755
Outreach and program promotion	9,817	279	531	-	10,627
Equipment and supplies	16,599	242	461	-	17,302
Telephone and internet	5,400	154	292	-	5,846
Postage	4,481	878	3,003	-	8,362
Other	16,638	3,261	11,149	-	31,048
Insurance	25,645	5,925	1,388	-	32,958
Depreciation	64,569	1,836	3,495	-	69,900
Events and awards	5,110	-	10,473	50,823	66,406
Travel and entertainment	1,485	290	995	-	2,770
Subtotal	506,680	94,323	248,247	50,823	900,073
Less costs of direct benefits to donors	-	-	-	(50,823)	(50,823)
Total expenses	\$ 506,680	\$ 94,323	\$ 248,247	\$ -	\$ 849,250
	2019				
	Cancer Support	Management and General	Fundraising	Costs of Direct Benefits to Donors	Total Expenses
Personnel	\$ 309,865	\$ 70,123	\$ 167,154	\$ -	\$ 547,142
Occupancy	35,158	1,000	1,903	-	38,061
Printing	22,409	7,560	14,237	-	44,206
Professional fees	34,035	20,518	4,082	-	58,635
Outreach and program promotion	5,062	144	3,455	-	8,661
Equipment and supplies	12,704	289	549	-	13,542
Telephone and internet	4,489	128	243	-	4,860
Postage	5,359	1,213	2,892	-	9,464
Other	23,139	5,510	11,753	-	40,402
Insurance	20,223	4,580	1,094	-	25,897
Depreciation	61,854	1,759	3,348	-	66,961
Events and awards	4,338	-	58,422	79,753	142,513
Travel and entertainment	3,828	866	2,065	-	6,759
Subtotal	542,463	113,690	271,197	79,753	1,007,103
Less costs of direct benefits to donors	-	-	-	(79,753)	(79,753)
Total expenses	\$ 542,463	\$ 113,690	\$ 271,197	\$ -	\$ 927,350

See accompanying notes.

GILDA'S CLUB MADISON WISCONSIN, INC.
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2020 and 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 128,957	\$ (529,192)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Net realized and unrealized (gains) losses on investments	(1,328)	-
Donated stock	(152,887)	-
Depreciation	69,900	66,961
Property and equipment contributions	-	(8,821)
Loss on uncollectible promises to give	7,200	10,346
(Increase) decrease in assets		
Prepaid expenses	(9,892)	(9,360)
Unconditional promises to give	(76,317)	(18,728)
Increase (decrease) in liabilities		
Accounts payable	(9,873)	9,443
Accrued payroll	(9,983)	9,082
Net cash flows from operating activities	(54,223)	(470,269)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of and interest retained in investments	(406,285)	-
Sales of investments	143,611	-
Proceeds from certificates of deposit	256,756	398,770
Interest income retained in certificates of deposit	(3,036)	(16,501)
Purchases of certificates of deposit	(246,446)	-
Net cash flows from investing activities	(255,400)	382,269
Change in cash	(309,623)	(88,000)
Cash at beginning of year	928,485	1,016,485
Cash at end of year	\$ 618,862	\$ 928,485
SUPPLEMENTAL DISCLOSURES		
Non-cash investing transactions		
Property and equipment contributions	\$ -	\$ 8,821
Donated stock	152,887	-

See accompanying notes.

GILDA'S CLUB MADISON WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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.

Promises to Give

Unconditional promises to give are recognized as revenues 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 are depreciated using the straight-line method over the estimated useful lives of the assets.

Investments

The Club reports investments in equity securities with readily determinable fair values and all investments in debt securities at their fair values in the statements of financial position. Unrealized gains and losses are included the change in net assets in the accompanying statement of activities.

Contributions

Contributions that are restricted by the donor are reported as increases in net assets without restrictions 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 net assets with restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with restrictions are reclassified to net assets without restrictions and reported in the statements of activities as net assets released from restrictions.

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.

GILDA'S CLUB MADISON WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Expense Allocation

The financial statements report certain categories of expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. Costs which exclusively benefit a specific function are charged directly to that program service or supporting activity. Certain costs that are included in occupancy, outreach and program promotion, equipment and supplies, telephone and internet, and depreciation are allocated on the basis of estimates of building space usage. Certain costs that are included in personnel, printing, postage, other, insurance, and travel and entertainment are allocated on the basis of estimates of time and effort.

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

Cancer Support – 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.

Income Tax Status

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

Date of Management's Review

Management has evaluated subsequent events through June 16, 2021, the date which the financial statements were available to be issued.

GILDA'S CLUB MADISON WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 2 – CONCENTRATIONS OF CREDIT RISK

The Club maintains 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, 2020 and 2019, the Club's uninsured cash balances total approximately \$39,000 and \$350,000, respectively.

NOTE 3 – PROMISES TO GIVE

Unconditional promises to give are as follows:

	2020	2019
Receivable in less than one year	\$ 158,714	\$ 34,655
Receivable in one to five years	35,532	90,474
	\$ 194,246	\$ 125,129

NOTE 4 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	2020	2019
Land	\$ 710,000	\$ 710,000
Building and improvements	2,695,074	2,695,074
Furniture and equipment	134,134	134,134
Software	13,406	13,406
Less accumulated depreciation	1,122,223	1,052,323
Property and equipment, net	\$ 2,430,391	\$ 2,500,291

NOTE 5 – INVESTMENTS

Investments consist of the following at December 31, 2020:

Cash	\$ 18,904
Stocks	188,522
Mutual funds	209,463
Investments	\$ 416,889

Fair values of mutual funds are based on quoted net asset values of the shares as reported by the fund. The mutual funds held by the Club are open-end mutual funds registered with the U.S. Securities and Exchange Commission. The funds must publish their daily net asset value and transact at that price. The mutual funds held by the Club are considered to be actively traded. Fair values of stocks are based on the closing prices reported on the active market where the individual securities are traded.

GILDA'S CLUB MADISON WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 6 – NET ASSETS

The Club's board of directors has designated net assets without donor restrictions for the following purposes:

	<u>2020</u>	<u>2019</u>
Undesignated	\$ 1,529,789	\$ 1,331,448
Designated for building maintenance	16,667	16,667
Designated for property and equipment	<u>2,430,391</u>	<u>2,500,291</u>
Net assets without donor restrictions	<u>\$ 3,976,847</u>	<u>\$ 3,848,406</u>

Net assets with donor restrictions are restricted for the following purposes or periods:

	<u>2020</u>	<u>2019</u>
Subsequent years' sponsorships	\$ 61,850	\$ 63,500
Subsequent years' activities	<u>102,295</u>	<u>100,129</u>
Net assets with donor restrictions	<u>\$ 164,145</u>	<u>\$ 163,629</u>

NOTE 7 – DONATED SERVICES

The fair value of donated services included in contributions in the financial statements and the corresponding expenses are as follows:

	<u>2020</u>		
	<u>Cancer Support</u>	<u>Management and General</u>	<u>Fundraising & Costs of Direct Benefits to Donors</u>
Professional fees			
Presenters	\$ 18,540	\$ -	\$ -
Technology services	1,415	277	948
Printing	7,974	-	-
Occupancy	2,985	778	-
Events and awards	<u>-</u>	<u>-</u>	<u>29,070</u>
	<u>\$ 30,914</u>	<u>\$ 1,055</u>	<u>\$ 30,018</u>

GILDA'S CLUB MADISON WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 7 – DONATED SERVICES (continued)

	2019		
	Cancer Support	Management and General	Fundraising
Professional fees			
Presenters	\$ 16,925	\$ -	\$ -
Technology services	15,679	-	-
Printing	4,998	3,620	-
Other services	-	-	16,200
Occupancy	-	1,235	-
Outreach and program promotion	-	-	18,295
	\$ 37,602	\$ 4,855	\$ 34,495

NOTE 8 – RETIREMENT PLAN

The Club sponsors a 401(k) program for all eligible employees of the Club. In February 2018, the Club enacted a 401(k) match on employee elective deferrals to the plan. The Club matches employee elective deferrals according to the following table:

1-3 years of service	25% on first 4% of contributions
4-6 years of service	50% on first 4% of contributions
7-9 years of service	75% on first 4% of contributions
10+ years of service	100% on first 4% of contributions

Contributions made by the Club for the years ended December 31, 2020 and 2019 were \$8,446 and \$8,500, respectively.

NOTE 9 – FLOOD INSURANCE PROCEEDS AND EXPENDITURES

In August 2018, the Club experienced significant flood damage. For the year ended December 31, 2019, the Club received insurance proceeds and contributions totaling \$71,604. Expenditures to restore the Club to its previous condition are offset against the insurance proceeds in the statement of activities. For the year ended December 31, 2019, expenses to restore the Club totaled \$625,097. There were no flood insurance proceeds or expenditures for the year ended December 31, 2020.

NOTE 10 – EFFECTS OF COVID-19

Management has evaluated subsequent events through June 16, 2021, the date which the financial statements were available to be issued. As a result of the spread of the COVID-19 coronavirus, economic uncertainties have arisen that could impact operating results. The related financial impact and duration cannot be reasonably estimated at this time.

GILDA'S CLUB MADISON WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 10 – EFFECTS OF COVID-19 (continued)

Due to the COVID-19 pandemic, all cancer support programming was provided virtually (online and via phone) from March 16, 2020 into 2021. Staff worked from home during this time, other than necessary tasks in the Clubhouse. Both the Backyard BBQ fundraiser and the Over The Edge urban rappelling event were canceled due to risk of COVID-19 infection. Special event income in 2020 was supplemented by Payroll Protection Program Loan funds and a significant bequest.

NOTE 11 – PAYCHECK PROTECTION PROGRAM LOAN AND EMPLOYEE RETENTION CREDIT

On April 5, 2020, the Club received a \$93,600 loan under the Paycheck Protection Program (PPP) established by the Coronavirus Aid, Relief, and Economic Security (CARES) Act and administered by the U.S. Small Business Administration (SBA). The loan accrues interest at 1% but payments are deferred for borrowers who apply for forgiveness until SBA remits the borrower's forgiveness amount to the lender. The amount of forgiveness depends, in part, on the total amount of eligible expenses paid by the Club during the covered period. Eligible expenses may include payroll costs, interest on mortgages, rent, and utilities. Any unforgiven portion is payable over two years. On October 28, 2020, the SBA preliminarily approved forgiveness of the loan and accrued interest. The Club must retain PPP documentation in its files for six years after the date the loan is forgiven or repaid in full and permit authorized representatives of SBA to access such files upon request. SBA may review any loan at any time at its discretion. Therefore, SBA may review the Club's good-faith certification concerning the necessity of its loan request, whether the Club calculated the loan amount correctly, whether the Club used loan proceeds for the allowable uses specified in the CARES Act, and whether the Club is entitled to loan forgiveness in the amount claimed on its application. If SBA determines the Club was ineligible for the loan or for forgiveness in whole or in part, SBA will seek repayment of the outstanding loan balance.

For the year ended December 31, 2020, the Club also qualified for an Employee Retention Credit (ERC) under the CARES Act totaling approximately \$51,000. The ERC is a refundable payroll tax credit for wages paid and health coverage provided by an employer whose operations were either fully or partially suspended due to a COVID-19-related governmental order or that experienced a significant reduction in gross receipts. The ERC can be claimed quarterly to help offset the cost of retaining employees. Employers may use ERCs to offset federal payroll tax deposits, including the employee FICA and income tax withholding components of the employer's federal payroll tax deposits.

GILDA'S CLUB MADISON WISCONSIN, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

NOTE 12 – LIQUIDITY AND AVAILABILITY

The following table reflects the Club's financial assets as of December 31, 2020 and 2019, reduced by amounts that are not available to meet general expenditures within one year of the statement of financial position date because of internal board designations. Net assets with donor restrictions related to time that extend beyond one year total \$35,532 and \$90,474 as of December 31, 2020 and 2019.

	2020	2019
Cash	\$ 618,862	\$ 928,485
Certificates of deposit	492,766	500,040
Unconditional promises to give	194,246	125,129
 Total financial assets at end of year	 1,305,874	 1,553,654
 Less those unavailable for general expenditures within one year due to:		
Unconditional promises to give with payments due in more than one year	(35,532)	(90,474)
Board-designated building maintenance fund	(16,667)	(16,667)
 Financial assets available to meet cash needs for general expenditures within one year	 \$ 1,253,675	 \$ 1,446,513

The Club strives to maintain liquid financial assets sufficient to cover six months of general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposits, money market funds, and other short-term investments.