

**Eisner**



**FINANCIAL STATEMENTS**

**JUNE 30, 2007 and 2006**

# Eisner

Eisner LLP  
Accountants and Advisors

750 Third Avenue  
New York, NY 10017-2703  
Tel 212.949.8700 Fax 212.891.4100  
www.eisnerllp.com

## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying statements of financial position of Gilda's Club Westchester, Inc. (the "Club") as of June 30, 2007 and 2006, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Club's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements enumerated above present fairly, in all material respects, the financial position of Gilda's Club Westchester, Inc. as of June 30, 2007 and 2006, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

*Eisner LLP*

New York, New York  
October 19, 2007

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

**Statements of Financial Position**

	<b>June 30,</b>	
	<b>2007</b>	<b>2006</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 225,526	\$ 218,107
Investments	1,095,080	1,035,705
Prepaid expenses and other assets	47,958	66,410
Property and equipment, net	1,721,462	1,787,626
Mortgage escrow deposit	9,185	10,092
Pledges receivable, net		50,000
Deferred financing costs		583
	<u>\$ 3,099,211</u>	<u>\$ 3,168,523</u>
<b>LIABILITIES</b>		
Accounts payable and accrued expenses	\$ 76,051	\$ 53,507
Mortgage note payable	185,944	189,735
	<u>261,995</u>	<u>243,242</u>
<b>NET ASSETS</b>		
Unrestricted	2,819,916	2,875,281
Temporarily restricted	17,300	50,000
	<u>2,837,216</u>	<u>2,925,281</u>
	<u>\$ 3,099,211</u>	<u>\$ 3,168,523</u>

*See notes to financial statements*

GILDA'S CLUB WESTCHESTER, INC.

Statements of Activities

	Year Ended June 30,					
	2007			2006		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support and revenue:						
Contributions	\$ 474,389	\$ 17,300	\$ 491,689	\$ 381,983	\$	\$ 381,983
Non-cash contributions	26,380		26,380	2,058		2,058
Special events (net of direct benefit to donors of \$165,200 in 2007 and \$88,750 in 2006)	384,513		384,513	404,434		404,434
Return on investments	61,749		61,749	5,839		5,839
Other income	7,039		7,039			
Total public support and revenue before release from restrictions	954,070	17,300	971,370	794,314		794,314
Net assets released from restrictions	50,000	(50,000)	0	123,543	\$(123,543)	0
Total public support and revenue	1,004,070	(32,700)	971,370	917,857	(123,543)	794,314
Expenses:						
Program services	776,128		776,128	661,632		661,632
Administrative	132,337		132,337	180,237		180,237
Fund-raising	150,970		150,970	110,702		110,702
Total expenses	1,059,435		1,059,435	952,571		952,571
Decrease in net assets	(55,365)	(32,700)	(88,065)	(34,714)	(123,543)	(158,257)
Net assets - beginning of year	2,875,281	50,000	2,925,281	2,909,995	173,543	3,083,538
Net assets - end of year	\$ 2,819,916	\$ 17,300	\$ 2,837,216	\$ 2,875,281	\$ 50,000	\$ 2,925,281

See notes to financial statements

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

**Statement of Functional Expenses**

**Year Ended June 30, 2007**

(with summarized financial information for 2006)

	Year Ended June 30, 2007				June 30, 2006 Total
	Program Services	Administrative	Fund- Raising	Total	
Salaries, benefits and payroll taxes	\$ 437,408	\$ 69,064	\$ 69,064	\$ 575,536	\$ 512,394
Professional fees	101,166	40,000	300	141,466	130,135
Mortgage note interest	9,522	529	529	10,580	10,726
Office-related	31,962	2,498	7,364	41,824	34,202
Utilities and other occupancy	50,858	4,766	4,516	60,140	67,271
Telephone	5,978	719	539	7,236	8,330
Postage	5,233	5,233	2,844	13,310	9,517
Insurance	16,381	910	910	18,201	17,566
Printing, publications and video	25,415	1,025	25,016	51,456	34,072
Conferences, conventions, meetings and travel	2,972	1,659		4,631	5,567
Membership dues		798	225	1,023	968
Credit card fees			6,245	6,245	6,385
Depreciation	73,393	4,078	4,078	81,549	80,655
Amortization of deferred financing costs	525	29	29	583	1,167
Miscellaneous	<u>15,315</u>	<u>1,029</u>	<u>29,311</u>	<u>45,655</u>	<u>33,616</u>
	<u>\$ 776,128</u>	<u>\$ 132,337</u>	<u>\$ 150,970</u>	<u>\$ 1,059,435</u>	<u>\$ 952,571</u>

See notes to financial statements

GILDA'S CLUB WESTCHESTER, INC.

Statement of Functional Expenses  
Year Ended June 30, 2006

	<u>Program Services</u>	<u>Administrative</u>	<u>Fund-Raising</u>	<u>Total</u>
Salaries, benefits and payroll taxes	\$ 404,791	\$ 56,363	\$ 51,240	\$ 512,394
Professional fees	36,458	93,350	327	130,135
Mortgage note interest	9,654	536	536	10,726
Office-related	21,771	2,500	9,931	34,202
Utilities and other occupancy	57,873	4,806	4,592	67,271
Telephone	6,683	847	800	8,330
Postage	3,699	3,699	2,119	9,517
Insurance	15,810	878	878	17,566
Printing, publications and video	17,625	331	16,116	34,072
Conferences, conventions, meetings and travel	2,171	3,396		5,567
Membership dues		743	225	968
Credit card fees			6,385	6,385
Depreciation	72,589	4,033	4,033	80,655
Amortization of deferred financing costs	1,051	58	58	1,167
Miscellaneous	<u>11,457</u>	<u>8,697</u>	<u>13,462</u>	<u>33,616</u>
	<u>\$ 661,632</u>	<u>\$ 180,237</u>	<u>\$ 110,702</u>	<u>\$ 952,571</u>

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

**Statements of Cash Flows**

	<u>Year Ended June 30,</u>	
	<u>2007</u>	<u>2006</u>
<b>Cash flows from operating activities:</b>		
Decrease in net assets	\$ (88,065)	\$ (158,257)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Depreciation	81,549	80,655
Net realized and unrealized (gains) losses on investments	(8,045)	42,342
Discounts on pledges receivable		(11,457)
Amortization of deferred financing costs	583	1,167
Recovery of allowance for doubtful accounts		(15,000)
Changes in:		
Pledges receivable	50,000	151,000
Prepaid expenses and other assets	18,452	(50,936)
Accounts payable and accrued expenses	<u>22,544</u>	<u>(13,169)</u>
Net cash provided by operating activities	<u>77,018</u>	<u>26,345</u>
<b>Cash flows from investing activities:</b>		
Purchases of investments	(51,330)	(471,262)
Proceeds from sales of investments		407,880
Purchases of property and equipment	(15,385)	(9,561)
Additional mortgage escrow deposit	<u>907</u>	<u>(981)</u>
Net cash used in investing activities	<u>(65,808)</u>	<u>(73,924)</u>
<b>Cash flows from financing activities:</b>		
Repayment of mortgage note payable	<u>(3,791)</u>	<u>(4,137)</u>
<b>Change in cash and cash equivalents</b>	7,419	(51,716)
Cash and cash equivalents - beginning of year	<u>218,107</u>	<u>269,823</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 225,526</u>	<u>\$ 218,107</u>
<b>Supplemental disclosure of cash-flow information:</b>		
Interest paid	<u>\$ 10,580</u>	<u>\$ 10,723</u>

# GILDA'S CLUB WESTCHESTER, INC.

## Notes to Financial Statements June 30, 2007 and 2006

### NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### [1] Organization:

Gilda's Club Westchester, Inc. (the "Club") is a nonprofit corporation organized in 1997 under the laws of the State of New York. The Club became an unconsolidated affiliate of the national organization in March 2001, as the criteria for consolidation are not present. The mission of the Club is to bring people living with cancer out of the individual and family isolation that often accompanies diagnosis and treatment. The Club 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 medical care. The Club offers support groups, lectures, workshops, and social events free-of-charge at their facility in White Plains, New York.

The Club is a not-for-profit organization exempt from federal income taxes under Section 501(a) of the Internal Revenue Code and qualifies as a Section 501(c)(3) organization under the Code. The Club is also exempt from state and local taxes under comparable laws.

#### [2] Basis of accounting:

The accompanying financial statements of the Club are presented using the accrual basis of accounting, in accordance with accounting principles generally accepted in the United States of America applicable to not-for-profit organizations.

#### [3] Contributions:

Contributions received, including unconditional promises from donors, are recognized as revenue in the period received, at their fair values. The Club recognizes contributions and other income received as unrestricted, temporarily restricted or permanently restricted, based upon donor-imposed restrictions. Contributions received with no restrictions are recognized as unrestricted. Contributions with requirements for the use of the assets for specific purposes (if not permanently restricted) are recognized as temporarily restricted. When a restriction expires (that is, when a stipulated-time restriction ends or a purpose-restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. (See Note A[12].)

#### [4] Donated assets and services:

Donated merchandise and other assets are recorded at their fair values at the dates of contribution. Donated services are also recognized at their fair values, except for the volunteer work of the Club's officers and directors, which does not meet the criteria for recognition.

#### [5] Cash and cash equivalents:

The Club considers cash equivalents to be those liquid instruments with an original maturity of three months or less at the date of purchase.

#### [6] Investments:

Investments in equity securities and mutual funds that are invested in equity and fixed-income funds are reported at their fair values. Realized and unrealized gains and losses are included as a part of the return on investments in the statement of activities. Donated securities are recorded at their fair values at the dates of donation.

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

**Notes to Financial Statements  
June 30, 2007 and 2006**

**NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**[7] Property and equipment:**

Property and equipment (including artwork) are carried at their original costs or, if donated, at their appraisal values at the dates of the donation. Depreciation is provided over the estimated useful lives of the assets (ranging from 3 to 40 years), using the straight-line method of depreciation. The Club's pieces of art are considered to be collectibles and are not being depreciated.

**[8] Deferred financing costs:**

Deferred financing costs are amortized using the straight-line method over the term of the mortgage note. Amortization expense was \$583 and \$1,167 for fiscal-years 2007 and 2006, respectively.

**[9] Accrued vacation:**

Based on their tenure, the Club's employees are entitled to be paid for unused vacation time if they leave the Club's employ. Accordingly, at each fiscal year-end, the Club must recognize a liability for the amount that would be incurred if employees with such unused vacation were to leave. At June 30, 2007 and 2006, this accrued vacation obligation was \$11,045 and \$8,314, respectively.

**[10] Functional expenses:**

The costs of providing various programs and other activities have been summarized on a functional basis in the statement of activities. Accordingly, management has allocated certain expenses among the program and supporting service categories, using appropriate allocation methods.

**[11] Use of estimates:**

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect (a) the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and (b) the reported amount of income and expenses during the reporting period. Actual results may differ from those estimates.

**[12] Net assets:**

The Club's net assets and its revenues and expenses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of the Club and changes therein are reported and classified as follows:

*Unrestricted:*

Unrestricted net assets represent those resources available for current operations.

*Temporarily restricted:*

Temporarily restricted net assets represent those resources which have been restricted by donors for specific uses or program activities. Net assets released from restrictions represent the satisfaction of the restricted purposes specified by the donor, or by the occurrence of other events. Temporarily restricted contributions, the requirements of which are met in the year of donation, are reported as unrestricted.

**[13] Reclassification:**

Certain information in the prior-year's financial statements has been reclassified to conform with the current-year's presentation.

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

**Notes to Financial Statements  
June 30, 2007 and 2006**

**NOTE B - CONCENTRATIONS OF CREDIT RISK**

The Club maintains cash and cash equivalents in accounts with a major financial institution, in amounts that exceed federal insurance limits. Management believes there is little risk that the institution will fail.

**NOTE C - INVESTMENTS**

At each fiscal year-end, investments consisted of the following:

	June 30,			
	2007		2006	
	Cost	Fair Value	Cost	Fair Value
Mutual funds	<u>\$ 1,138,676</u>	<u>\$ 1,095,080</u>	<u>\$ 1,087,345</u>	<u>\$ 1,035,705</u>

For each fiscal year, the return on investments consisted of the following:

	Year Ended June 30,	
	2007	2006
Interest and dividends	\$ 53,705	\$ 48,181
Realized losses		(8,070)
Unrealized gains (losses)	<u>8,044</u>	<u>(34,272)</u>
Net return on investments	<u>\$ 61,749</u>	<u>\$ 5,839</u>

**NOTE D - EMPLOYEE BENEFIT PLAN**

The Club provides a defined-contribution, Section 403(b) employee savings 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. The Club may make contributions to the plan at the discretion of the Board of Directors. During fiscal-years 2007 and 2006, the Club incurred plan-related expense of \$6,000 and \$6,450, respectively.

**NOTE E - PLEDGES RECEIVABLE**

During fiscal-year 2007, the Club collected the remaining outstanding pledges receivable balance of \$50,000.

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

**Notes to Financial Statements**  
**June 30, 2007 and 2006**

**NOTE F - PROPERTY AND EQUIPMENT**

At each fiscal year-end, property and equipment consisted of the following:

	<u>June 30,</u>	
	<u>2007</u>	<u>2006</u>
Land	\$ 139,868	\$ 139,868
Building	1,857,654	1,842,269
Office equipment and website development	77,200	77,200
Furniture and fixtures	146,247	146,247
Artwork	<u>26,685</u>	<u>26,685</u>
	2,247,654	2,232,269
Less accumulated depreciation	<u>(526,192)</u>	<u>(444,643)</u>
	<u>\$ 1,721,462</u>	<u>\$ 1,787,626</u>

**NOTE G - MORTGAGE NOTE PAYABLE**

The mortgage note is payable in equal monthly installments of \$1,229, including principal and interest at 5.5% per annum through March 31, 2009. At such time, the unpaid portion of the principal balance is due, unless otherwise extended by the mortgagor. The mortgage note is collateralized by the land and building.

Note payments due through maturity are as follows:

<u>Fiscal Year Ending</u> <u>June 30,</u>	<u>Amount</u>
2008	\$ 4,667
2009	<u>181,277</u>
	<u>\$ 185,944</u>

**NOTE H - TEMPORARILY RESTRICTED NET ASSETS**

[1] At each fiscal year-end, temporarily restricted net assets consisted of the following:

	<u>June 30,</u>	
	<u>2007</u>	<u>2006</u>
Purpose-restricted:		
Make-a-Wish	\$ 17,300	
Time-restricted	<u>                    </u>	\$ 50,000
	<u>\$ 17,300</u>	<u>\$ 50,000</u>

GILDA'S CLUB WESTCHESTER, INC.

Notes to Financial Statements  
June 30, 2007 and 2006

NOTE H - TEMPORARILY RESTRICTED NET ASSETS (CONTINUED)

[2] During each fiscal year, net assets released from restrictions consisted of the following:

	Year Ended June 30,	
	2007	2006
Time restrictions met	\$ 50,000	\$ 83,543
Purpose restrictions met:		
Noogieland		20,000
Spanish-speaking program		100
Other		19,900
	<u>\$ 50,000</u>	<u>\$ 123,543</u>