

***GILDA'S CLUB QUAD CITIES***

***Davenport, Iowa***

***FINANCIAL STATEMENTS  
and  
SUPPLEMENTAL SCHEDULE  
and  
INDEPENDENT AUDITOR'S REPORT***

***December 31, 2017 and 2016***

**GILDA'S CLUB QUAD CITIES**  
December 31, 2017 and 2016

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Gilda's Club Quad Cities  
Davenport, Iowa

We have audited the accompanying financial statements of Gilda's Club Quad Cities (a nonprofit organization), which comprise the statement of financial position as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 Club'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 Club'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 Quad Cities as of December 31, 2017, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*Carpentier, Mitchell, Goddard & Company, L.L.C.*

Moline, Illinois  
November 9, 2018

**GILDA'S CLUB QUAD CITIES**  
**STATEMENT OF FINANCIAL POSITION**  
December 31, 2017 and 2016

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	<u>2017</u>	<u>2016</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 20,610	\$ 21,026
Accounts receivable	68	69
Investments at market value	503,183	611,224
Prepaid expense	10,250	16,250
Land	90,000	90,000
Fixed assets (net of depreciation)	<u>460,639</u>	<u>492,009</u>
Total assets	<u>\$ 1,084,750</u>	<u>\$ 1,230,578</u>
<b>LIABILITIES</b>		
Accounts payable	\$ 12,733	\$ 15,335
Accrued payroll taxes	2,704	8,022
Line of credit	-	-
Deferred revenue	<u>36,048</u>	<u>-</u>
Total liabilities	<u>\$ 51,485</u>	<u>\$ 23,357</u>
<b>NET ASSETS</b>	<u>\$ 1,033,265</u>	<u>\$ 1,207,221</u>
Total liabilities and net assets	<u>\$ 1,084,750</u>	<u>\$ 1,230,578</u>

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

**GILDA'S CLUB QUAD CITIES**  
**STATEMENT OF ACTIVITIES**  
For the Year Ended December 31, 2017  
(With Comparative Totals for 2016)

	2017	2016
<b>UNRESTRICTED NET ASSETS</b>		
Unrestricted revenues and gains		
Contributions & memorials	\$ 103,635	\$ 103,157
Grants	46,083	95,750
Marketing income	6	13
Event income (net of expense)	183,092	178,303
Interest & dividend income	12,434	23,873
Other income	1,358	-
Investments market value adjustment	70,028	32,293
	\$ 416,636	\$ 433,389
Expenses		
Program related	\$ 445,145	\$ 489,655
Fundraising & outreach	58,036	36,860
Administrative & Other	87,411	98,844
	\$ 590,592	\$ 625,359
Total unrestricted expenses	\$ 590,592	\$ 625,359
Increase (decrease) in net assets	\$ (173,956)	\$ (191,970)
Net assets - beginning of year	1,207,221	1,399,191
Net assets - end of year	\$ 1,033,265	\$ 1,207,221

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

**GILDA'S CLUB QUAD CITIES  
STATEMENTS OF CASH FLOWS**

For the Years Ended December 31, 2017 and 2016

	<b>2017</b>	<b>2016</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Change in net assets	\$ (173,956)	\$ (191,970)
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	31,370	31,814
Unrealized gain on investments	(70,028)	(32,293)
Income on investments	(12,434)	(23,814)
(Increase) decrease in Accounts receivable	1	(69)
Prepaid expenses	6,000	(16,250)
Increase (decrease) in Accounts payable	(2,602)	7,619
Accrued payroll taxes	(5,318)	6,170
Accrued expenses	-	-
Deferred revenue	36,048	(25,850)
Net cash used by operating activities	\$ (190,919)	\$ (244,643)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of fixed	\$ -	\$ -
Interest & dividend income	12,434	23,814
Investment sale proceeds	326,050	707,557
Purchase of investments	(147,981)	(487,048)
Net cash provided by investing activities	\$ 190,503	\$ 244,323
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds from line of credit	\$ -	\$ -
Payments on line of credit	-	(99,618)
Net cash provided (used) by financing activities	\$ -	\$ (99,618)
Net increase (decrease) in cash and cash equivalents	\$ (416)	\$ (99,938)
Cash and cash equivalents, beginning of year	21,026	120,964
Cash and cash equivalents, end of year	\$ 20,610	\$ 21,026

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

**GILDA'S CLUB QUAD CITIES**  
**NOTES TO FINANCIAL STATEMENTS**  
December 31, 2016 and 2015

**NOTE 1 - NATURE OF THE CLUB**

Gilda's Club Quad Cities (the Club) is a not-for-profit organization incorporated on November 27, 1995 under the laws of the State of Iowa. The Club operates a facility in Davenport, Iowa to provide a place where people with cancer and their families can join with others to build social and emotional support as a supplement to medical care. The Club is free of charge. The Club is supported through donor contributions, special events, and grants.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Accounting -

The Club prepares its financial statements on the accrual basis of accounting in which revenue is recognized when earned and expenses are recognized when incurred. Contributions are recognized when the donor makes a promise to give to the Club that is, in substance, unconditional. 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.

The Club uses the specific write-off method to determine uncollectible unconditional promises receivable.

Basis of Presentation -

In accordance with SFAS No. 117, Financial Statements of Not-for-Profit Organizations, the Club reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted, and permanently restricted net assets. The Club has no temporarily or permanently restricted net assets. Investments are reported at fair market value as stated on actively traded security markets.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value Measurements -

The Fair Value Measurement topic of the FASB Accounting Standards Codification defines fair value, establishes a framework for measuring fair value and expands disclosure of fair value measurements. It also emphasizes that fair value is a market-based measurement, not an entity-specific measurement, and sets out a fair value hierarchy with the highest priority being quoted prices in active markets. Fair value measurements are disclosed by level within that hierarchy.



## NOTES TO FINANCIAL STATEMENTS

### NOTE 2 - (Continued)

#### Buildings, Equipment, Improvements and Depreciation -

Acquisitions of buildings, equipment, and improvements and all expenditures for repairs, maintenance and betterments that in the judgment of management materially prolong the useful lives of assets are capitalized. Buildings, equipment and improvements are stated at cost less accumulated depreciation. Contributed property and equipment is recorded at fair value at the date of donation. In the absence of such stipulations, contributions of property and equipment are recorded as unrestricted support. Depreciation is calculated using the straight-line method over the estimated useful lives of the related assets.

#### Income Tax Status -

The Club is incorporated as a nonprofit Iowa corporation and is exempt from federal income taxes under the Internal Revenue Code Section 501(c)(3) and comparable state law.

### NOTE 3 - FAIR VALUE MEASUREMENTS

Accounting guidance defines fair value, establishes a framework for measuring fair value using a hierarchy system and requires disclosure of fair value measurements. The hierarchy is intended to maximize the use of observable inputs and minimize the use of unobservable inputs and includes three levels based upon the valuation techniques used. The three levels are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical investments that the Club has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the investment, either directly or indirectly.

Level 3 inputs are unobservable inputs for the investments.

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

For the valuation of mutual funds, stocks, U.S. Government securities, corporate bonds, certain fixed income bonds, money market funds and commercial paper, and certificates of deposit at December 31, 2017 and 2016, the Club used quoted prices in principal active markets for identical assets as of the valuation date (Level 1).

In certain cases where there is limited activity or less transparency around inputs to the valuation, securities are classified within Level 3 of the valuation hierarchy.

Significant assets and liabilities are recorded at fair value on a recurring basis

## NOTES TO FINANCIAL STATEMENTS

### NOTE 3 - (Continued)

The following tables summarize significant assets measured at fair market value on a recurring basis as of December 31, 2017 and 2016:

	2017			
	Total Fair Value	Level 1	Level 2	Level 3
Cash	\$ 625	\$ 625	\$ - - -	\$ - - -
Money Market Funds	11,675	11,675	- - -	- - -
Stocks	115,709	115,709	- - -	- - -
Mutual Funds:				
Fixed Income	108,306	108,306	- - -	- - -
Equity & Other	266,868	266,868	- - -	- - -
 Total	 \$ 503,183	 \$ 503,183	 \$ - - -	 \$ - - -
	2016			
	Total Fair Value	Level 1	Level 2	Level 3
Money Market Funds	\$ 26,637	\$ 26,637	\$ - - -	\$ - - -
Corporate Bonds	25,686	- - -	25,686	- - -
Stocks	143,515	143,515	- - -	- - -
Mutual Funds:				
Fixed Income	115,715	115,715	- - -	- - -
Equity & Other	299,671	299,671	- - -	- - -
 Total	 \$611,224	 \$ 585,538	 \$ 25,686	 \$ - - -

### NOTE 4 – FIXED ASSETS

	2017	2016
Building	\$ 580,149	\$ 580,149
Improvements	431,765	431,765
Parking lot	40,840	40,840
Landscaping	49,613	49,613
Office equipment & furniture	109,427	109,427
	1,211,794	1,211,794
Accumulated depreciation	(751,155)	(719,785)
Land	90,000	90,000
 Net book value	 \$ 550,639	 \$ 582,009

## NOTES TO FINANCIAL STATEMENTS

### NOTE 5 – COMMITMENTS

The Club leases office equipment for use in its operations. The Club has no ownership rights at the termination of the lease. The lease is as follows:

Photocopier - \$596.35 per month expiring August 2022

### NOTE 6 – PENSION PLAN

The Club has established a SIMPLE plan (Salary Incentive Match Plan for Employees). The Club makes a matching 3% contribution for all qualified employee.

### NOTE 7 – COMPENSATED ABSENCES

Employees of the Club are entitled to paid vacation, paid sick days, and personal days off, depending job classification, length of service, and other factors. It is impracticable to estimate the amount of compensation for future absences, and accordingly, no liability has been recorded in the accompanying financial statements. The Club's policy is to recognize the costs of compensated absences when actually paid to employees.

### NOTE 8 – SUBSEQUENT EVENTS

In preparing these financial statements, the Club has evaluated events and transactions for potential recognition or disclosure through November 9, 2018, the date the financial statements were available to be issued.

**GILDA'S CLUB QUAD CITIES**  
**SCHEDULE OF FUNCTIONAL EXPENSES**  
For the Year Ended December 31, 2017  
(With Comparative Totals for 2016)

	<b>2017</b>			
	Program Related	Fundraising	General & Admin	Total
Salaries, payroll taxes & employee benefits	303,674	56,387	48,720	408,781
Supplies & contract labor	37,002	1,649	15,356	54,007
Postage & delivery	3,532	-	-	3,532
Telephone & utilities	14,072	-	-	14,072
Interest	1,057	-	-	1,057
Maintenance & expense	35,869	-	-	35,869
Insurance	14,066	-	-	14,066
Depreciation	31,370	-	-	31,370
Printing & reproduction	4,503	-	-	4,503
Professional fees	-	-	23,335	23,335
	<u>445,145</u>	<u>58,036</u>	<u>87,411</u>	<u>590,592</u>
	<b>2016</b>			
	Program Related	Fundraising	General & Admin	Total
Salaries, payroll taxes & employee benefits	358,353	32,579	70,551	461,483
Supplies & contract labor	45,526	4,281	19,907	69,714
Postage & delivery	2,886	-	-	2,886
Telephone & utilities	12,576	-	-	12,576
Interest	223	-	-	223
Maintenance & expense	19,800	-	-	19,800
Insurance	11,699	-	-	11,699
Depreciation	31,814	-	-	31,814
Printing & reproduction	6,778	-	-	6,778
Professional fees	-	-	8,386	8,386
	<u>489,655</u>	<u>36,860</u>	<u>98,844</u>	<u>625,359</u>

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