

GILDA'S CLUB TWIN CITIES, INC.
(A Nonprofit Organization)

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

DECEMBER 31, 2017 AND 2016

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1 – 2
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS	4 – 5
STATEMENTS OF CASH FLOWS	6
NOTES TO FINANCIAL STATEMENTS	7 – 13
SUPPLEMENTARY INFORMATION	
SCHEDULES OF FUNCTIONAL EXPENSES	14



INDEPENDENT AUDITOR'S REPORT

Board of Directors
GILDA'S CLUB TWIN CITIES, INC.
10560 Wayzata Boulevard
Minnetonka, MN 55305

Members of the Board:

We have audited the accompanying financial statements of Gilda's Club Twin Cities, Inc. (a nonprofit organization), which comprise the Statements of Financial Position as of December 31, 2017 and 2016, and the related Statements of Activities and Changes in Net Assets, 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 of 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 Twin Cities, 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 conformity with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The Schedules of Functional Expenses for the years ended December 31, 2017 and 2016 on page 14 are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Respectfully submitted,

Handwritten signature in black ink that reads "LB Carlson, LLP". The signature is written in a cursive, slightly slanted style.

LB CARLSON, LLP
Minneapolis, Minnesota

July 24, 2018

**GILDA'S CLUB TWIN CITIES
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2017 AND 2016**

ASSETS

	December 31,	
	2017	2016
CURRENT ASSETS		
Cash	\$ 48,484	\$ 97,261
Investments – Other	160,732	31,227
Pledges Receivable	64,672	106,652
Prepaid Expenses	15,586	12,476
Other Current Assets	3,834	3,391
Total Current Assets	293,308	251,007
PROPERTY AND EQUIPMENT		
Land	475,000	475,000
Buildings and Improvements	1,161,311	1,161,311
Furniture and Equipment	238,771	226,983
Total	1,875,082	1,863,294
Less: Accumulated Depreciation	263,311	207,659
Total Property and Equipment (At Depreciated Cost)	1,611,771	1,655,635
OTHER ASSETS		
Pledges Receivable, Less Allowance for Doubtful Pledges of \$11,000 and \$25,300, Respectively	62,165	115,733
Other	1,706	-
Total Other Assets	63,871	115,733
Total Assets	\$ 1,968,950	\$ 2,022,375
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Note Payable	\$ -	\$ 75,000
Current Portion of Mortgage Payable	22,263	20,922
Accounts Payable	7,443	18,457
Accrued Payroll and Related Taxes	1,892	3,219
Accrued Vacation	3,420	5,394
Accrued Interest	796	1,347
Total Current Liabilities	35,814	124,339
MORTGAGE PAYABLE (Net of Current Portion)	593,238	615,385
Total Liabilities	629,052	739,724
NET ASSETS		
Unrestricted	1,339,898	1,262,651
Temporarily Restricted	-	20,000
Total Net Assets	1,339,898	1,282,651
Total Liabilities and Net Assets	\$ 1,968,950	\$ 2,002,375

See accompanying Notes to Financial Statements.

GILDA'S CLUB TWIN CITIES
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2017

	2017		
	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Special Event Revenue	\$ 282,697	\$ -	\$ 282,697
Individual Donations	397,485	-	397,485
Corporate Donations	148,057	-	148,057
In-Kind Donations	14,332	-	14,332
Grant Revenue	92,100	-	92,100
Net Assets Released From Restrictions	20,000	(20,000)	-
Total Revenue and Support	<u>954,671</u>	<u>(20,000)</u>	<u>934,671</u>
EXPENSES			
Salaries and Wages	306,550	-	306,550
Payroll Taxes	33,299	-	33,299
Employee Benefits	43,798	-	43,798
Special Event Expenses	61,200	-	61,200
Fundraising Expenses	43,596	-	43,596
Marketing	9,232	-	9,232
Program Expense	154,127	-	154,127
Volunteer and Board Expenses	2,260	-	2,260
Professional Fees	11,628	-	11,628
Office Rent	728	-	728
Depreciation and Amortization	56,152	-	56,152
Repairs and Maintenance	23,896	-	23,896
Utilities	11,566	-	11,566
Telephone and Internet	4,065	-	4,065
Office Supplies	18,544	-	18,544
Insurance	11,790	-	11,790
Travel and Entertainment	500	-	500
Training and Seminars	380	-	380
Printing and Reproduction	823	-	823
Postage and Delivery	179	-	179
Licenses and Permits	101	-	101
Bank and Credit Card Fees	15,234	-	15,234
Interest Expense	27,251	-	27,251
Security Expense	998	-	998
Bad Debt Expense	40,030	-	40,030
Total Expenses	<u>877,927</u>	<u>-</u>	<u>877,927</u>
CHANGE IN NET ASSETS FROM OPERATIONS	76,744	(20,000)	56,744
OTHER REVENUE	503	-	503
CHANGES IN NET ASSETS	<u>77,247</u>	<u>(20,000)</u>	<u>57,247</u>
NET ASSETS, BEGINNING OF YEAR	<u>1,262,651</u>	<u>20,000</u>	<u>1,282,651</u>
NET ASSETS, END OF YEAR	<u>\$ 1,339,898</u>	<u>\$ -</u>	<u>\$ 1,339,898</u>

See accompanying Notes to Financial Statements.

GILDA'S CLUB TWIN CITIES
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2016

	2016		
	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Special Event Revenue	\$ 332,421	\$ 20,000	\$ 352,421
Individual Donations	325,944	-	325,944
Corporate Donations	92,325	-	92,325
In-Kind Donations	19,957	-	19,957
Grant Revenue	85,300	-	85,300
Net Assets Released From Restrictions	-	-	-
Total Revenue and Support	<u>855,947</u>	<u>20,000</u>	<u>875,947</u>
EXPENSES			
Salaries and Wages	331,793	-	331,793
Payroll Taxes	28,913	-	28,913
Employee Benefits	51,735	-	51,735
Special Event Expenses	84,530	-	84,530
Fundraising Expenses	25,543	-	25,543
Marketing	24,212	-	24,212
Program Expense	153,655	-	153,655
Volunteer and Board Expenses	1,656	-	1,656
Professional Fees	15,278	-	15,278
Office Rent	1,708	-	1,708
Depreciation and Amortization	66,526	-	66,526
Repairs and Maintenance	33,413	-	33,413
Utilities	11,259	-	11,259
Telephone and Internet	3,088	-	3,088
Office Supplies	19,383	-	19,383
Insurance	10,720	-	10,720
Travel and Entertainment	1,557	-	1,557
Training and Seminars	1,634	-	1,634
Printing and Reproduction	3,690	-	3,690
Postage and Delivery	1,032	-	1,032
Licenses and Permits	290	-	290
Bank and Credit Card Fees	10,143	-	10,143
Interest Expense	37,046	-	37,046
Security Expense	808	-	808
Bad Debt Expense	2,675	-	2,675
Total Expenses	<u>922,287</u>	<u>-</u>	<u>922,287</u>
CHANGE IN NET ASSETS FROM OPERATIONS	(66,340)	20,000	(46,340)
OTHER REVENUE	805	-	805
CHANGES IN NET ASSETS	<u>(65,535)</u>	<u>20,000</u>	<u>(45,535)</u>
NET ASSETS, BEGINNING OF YEAR	<u>1,328,186</u>	<u>-</u>	<u>1,328,186</u>
NET ASSETS, END OF YEAR	<u>\$ 1,262,651</u>	<u>\$ 20,000</u>	<u>\$ 1,282,651</u>

See accompanying Notes to Financial Statements.

**GILDA'S CLUB TWIN CITIES
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	Year Ended December 31,	
	2017	2016
CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Change in Net Assets	\$ 57,247	\$ (45,535)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used for) Operating Activities:		
Depreciation	56,152	66,526
Provision for Losses on Pledge Receivables	40,030	2,675
Decrease (Increase) in Operating Assets:		
Pledges Receivable	54,812	(25,974)
Prepaid Expenses	(3,110)	(2,715)
Other Current Assets	(443)	(3,241)
Increase (Decrease) in Operating Liabilities:		
Accounts Payable	(11,014)	(9,153)
Accrued Payroll and Related Taxes	(1,327)	(843)
Accrued Vacation	(1,974)	(6,832)
Accrued Interest	(551)	302
Net Cash Provided by (Used for) Operating Activities	189,822	(24,790)
CASH USED FOR INVESTING ACTIVITIES		
Purchase of Property and Equipment	(11,788)	(14,180)
Purchase of Investments – Other	(129,505)	(2,801)
Net Cash Used for Investing Activities	(141,293)	(16,981)
CASH USED FOR FINANCING ACTIVITIES		
Payments on Note Payable	(75,000)	-
Principal Payments on Mortgage Payable	(20,806)	(18,088)
Loan Origination Costs	(1,500)	-
Net Cash Used for Financing Activities	(97,306)	(18,088)
NET DECREASE IN CASH	(48,777)	(59,859)
CASH – BEGINNING	97,261	157,120
CASH – ENDING	\$ 48,484	\$ 97,261

See accompanying Notes to Financial Statements.

GILDA'S CLUB TWIN CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 1 SUMMARY OF ORGANIZATION

Organization

Gilda's Club Twin Cities (Organization) is a 501(c)(3) not-for-profit organization incorporated in August 2011 under the laws of the State of Minnesota. The Organization strives to provide a welcoming "Clubhouse" where everyone living with cancer can come for social, emotional and psychological support. The Clubhouse, which opened in March 2014, is an essential element of the support program that offers a healing environment where individuals can learn from each other, with the guidance of licensed professionals.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Statement Presentation

The financial statements of the Organization have been prepared on the accrual basis of accounting and are presented in accordance with the FASB *Accounting Standards Codification (ASC) 958, "Not-for-Profit Entities"*. ASC 958 requires the Organization to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Assets accumulated and resources received and expended by the Organization are either unrestricted as to use or purpose or restricted by the donor for a particular purpose. Permanently restricted net assets account for donations restricted for specific purposes whereby the restriction does not expire. Temporarily restricted net assets represent contributions to the Organization whose use is limited by donor-imposed stipulations that either expire by the passage of time or can be fulfilled by expending the funds for their restricted purpose. The designation of net assets for specific purposes by the Organization itself does not constitute a basis for reclassifying them as temporarily restricted.

The nature of the temporarily restricted net assets are contributions that have been recorded as revenue but not yet expensed per the Organization's stipulations and donations. Net assets released from restrictions entail money spent in the current year that were recorded as donations in the current year as well as previous years.

The Organization has chosen to report contributions that are received with donor-imposed restrictions that are met in the same reporting period as temporarily restricted contributions with an accompanying reclassification showing the satisfaction of the restriction.

Cash and Cash Equivalents

Cash and cash equivalents include cash on hand, demand deposits in banks and money market instruments. The Organization also considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

Cash Deposits

The Organization, at times, maintains cash deposits with financial institutions in excess of FDIC insurance coverage which was \$250,000 as of December 31, 2017 and 2016.

GILDA'S CLUB TWIN CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

Investments

The Organization's investments in money market accounts are classified as Investments – Other in the statement of financial position and are carried at amortized cost. These investments do not qualify as securities as defined in FASB Accounting Standards Codification (ASC) 320, Investments – Debt and Equity Securities, thus the fair value disclosures required by ASC 820, Fair Value Measurements and Disclosures, are not provided.

Use of Estimates

Management uses estimates and assumptions in the preparation of financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Accordingly, actual results could vary from those estimates that were used.

Significant items subject to such estimates and assumptions include the allowance for doubtful pledges, present value of pledge receivables, and the useful lives of property and equipment.

Pledges Receivable

Unconditional promises to give that are expected to be collected within one year are recorded as pledges receivable at net realizable value under current assets on the statement of financial position.

Unconditional promises to give that are expected to be collected in periods greater than one year are recorded at the net present value of expected cash flows under other assets on the statement of financial position. The Organization provides an allowance for estimated uncollectible contributions.

Pledges receivable are stated at unpaid balances, less an allowance for doubtful accounts and a present value discount. The Organization provides for losses on pledges receivable using the allowance method. The allowance is based on experience, third-party contacts, knowledge of the donors and the industry and other circumstances, which may affect the ability of donors to meet their obligations. It is the Organization's policy to charge off uncollectible pledges when management determines the receivable will not be collected.

Net pledges receivable are summarized as follows:

	December 31,	
	2017	2016
Due Within One Year	\$ 64,672	\$ 106,652
Due Within Two to Six Years	75,465	146,333
Allowance for Uncollectible Pledges	(11,000)	(25,300)
Adjustment to Present Value, at a Discount Rate of 2%	(2,300)	(5,300)
Total Pledges Receivable	\$ 126,837	\$ 222,385
Current Portion	\$ 64,672	\$ 106,652
Long-Term Portion	62,165	115,733
Total Pledges Receivable	\$ 126,837	\$ 222,385

GILDA'S CLUB TWIN CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

Grants Receivable

Grants receivable consist of amounts due from government agencies or private donors, based on the terms of the related grant agreements. Management periodically reviews the status of all grants receivable for collectability. The Organization provides for losses on grants receivable using the allowance method. Grants receivable are stated at unpaid balances, less an allowance for doubtful accounts and a present value discount. Each balance is assessed based on management's knowledge of the relationship with the government agency or the donor and the age of the receivable balance. It is the Organization's policy to charge off uncollectible grants when management determines the receivable will not be collected. There were no grants receivable as of December 31, 2017 and 2016.

Property and Equipment

Property and equipment are recorded at cost and are depreciated over their estimated useful lives by use of the straight-line method of depreciation. The estimated useful lives of the assets are as follows:

Buildings and Improvements	39 Years
Furniture and Equipment	3 to 7 Years

Minor equipment costs and repairs and maintenance, less than \$1,000, are charged to expense when incurred.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property, equipment and certain identifiable intangibles, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recovered. An impairment loss would be recognized when the estimated future cash flows from the use of the asset are less than the carrying amount of that asset. The Organization has determined that no impairment existed as of December 31, 2017 and 2016.

New Accounting Standards

In August 2016, the FASB issued ASU 2016-14, *Not-for-Profit Entities (Topic 958) Presentation of Financial Statements of Not-For-Profit Entities*, which provides guidance for the presentation of not-for-profit financial statements. The guidance requires not-for-profit entities to 1) reclassify Net Assets into two classes (“Without Donor Restrictions” or “With Donor Restrictions”) rather than three classes, 2) present both qualitative and quantitative information that communicates how the organization manages its liquid resources and the availability of financial assets to meet cash needs within one year of the Statement of Financial Position date, 3) present an analysis of expenses by function and nature, 4) present Investment Return amounts as a net presentation of investment expenses against investment returns, 5) present the Statement of Cash Flows in either direct or indirect method, but if using direct method, no longer required to show indirect reconciliation. The guidance will initially be applied using a retrospective approach. The amendments in the guidance are effective for fiscal years beginning after December 15, 2017. Early adoption is permitted. Management is evaluating the impact of the amended guidance on the entity’s financial statements.

GILDA'S CLUB TWIN CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 2 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** – Continued

Revenue Recognition

Contributions, Pledges and Grants: Recognized as revenue when the Organization is notified of the existence of a pledge or grant, or receives a contribution. Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted net assets depending on the existence and/or nature of any donor restrictions. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor or an agreement with a third party. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

The Organization received temporarily restricted contributions of \$0 and \$20,000 as of December 31, 2017 and 2016, respectively.

In-Kind Donations: Consist of services and materials and are measured at fair value at the date of donation. In-kind services represent services which meet the criteria specified in FASB ASC 958-605-25 including, among other things, services requiring specialized skills and services that the Organization would typically purchase.

Unrecorded In-Kind Donations: The Organization relies on contributions of both time and expertise from its pool of volunteers who donate thousands of hours of service, the total value of which cannot be easily calculated or estimated, yet these volunteers contribute significantly to the work, impact, and success of the Organization. These volunteer services have not been reflected in the accompanying financial statements because the volunteer services provided do not meet the criteria necessary for recognition under generally accepted accounting principles.

Effect of Economic Conditions on Contributions

The Organization depends on contributions and grants for a significant portion of its revenue. The ability of the Organization's contributors and grantors to continue giving amounts comparable with prior years may be dependent upon future economic conditions and continued deductibility for income tax purposes of contributions and grants to the Organization. While the Organization's Board of Directors and management believe the Organization has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent on the above factors.

Income Tax Status

The Organization qualifies as a tax-exempt organization described in Section 501(c)(3) of the Internal Revenue Code. Accordingly, the Organization is not subject to federal income taxes under Section 501(a) of the Code. The Organization is classified as a publicly-supported charitable organization under Section 509(a)(1) of the Code and contributions to the Organization qualify as a charitable tax deduction by the contributor.

The Organization evaluates all significant tax positions as required by generally accepted accounting principles in the United States. As of December 31, 2017, the Organization does not believe that it has taken any tax positions that would require the recording of any additional tax liability nor does it believe that there are any unrealized tax benefits that would either increase or decrease within the next twelve months.

GILDA'S CLUB TWIN CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

The Organization's federal tax filings for 2014 through 2017 are open for Internal Revenue Service examination. The related state filings are open by the taxing authority of the State of Minnesota.

Marketing Costs

The Organization expenses advertising costs for marketing as incurred. Marketing costs were \$9,232 and \$24,212 during the years ended December 31, 2017 and 2016, respectively.

Functional Expenses

The Organization allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification.

General and management expenses that are common to several functions are allocated based on the proportion of each program's direct and personnel expenses to total program direct and personnel expenses.

Functional expenses for the Organization for the years ended December 31, 2017 and 2016 were as follows:

	2017		2016	
	Amount	%	Amount	%
Program Services	\$ 508,805	58.0	\$ 581,883	63.1
Management and General	51,123	5.8	49,246	5.3
Fundraising	317,999	36.2	291,158	31.6
Total Expenses	\$ 877,927		\$ 922,287	

Reclassifications

Certain reclassifications have been made on the 2016 financial statements to conform to the 2017 presentation. The reclassifications have no effect on the net income or net assets as previously reported.

NOTE 3 MORTGAGE PAYABLE

The Organization has a mortgage loan agreement with US Bank. The loan agreement required monthly principal and interest payments of \$4,130 through February 19, 2017 at an interest rate of 4.79%. On February 20, 2017, the interest rate was adjusted to 3.88% and the new monthly payments were set to be \$3,812. Principal and interest payments are due through February 20, 2022, at which time a balloon payment for all remaining principal and interest is due. The loan is secured by the land, building and improvements.

GILDA'S CLUB TWIN CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 3 MORTGAGE PAYABLE – Continued

Annual maturities of the mortgage payable in the years following December 31, 2017 are as follows:

Year Ending December 31,	Amount
2018	\$ 22,263
2019	23,143
2020	24,057
2021	25,007
2022	521,032
Total	615,502
Less: Current Portion	22,263
Long-Term Portion	\$ 593,239

NOTE 4 NOTE PAYABLE

The Organization has a promissory note agreement with Nonprofits Assistance for a credit limit of \$150,000, which matures on November 30, 2018. The note agreement has a monthly interest payment of 7% per annum. The outstanding balances on the note were \$0 and \$75,000 as of December 31, 2017 and 2016, respectively.

NOTE 5 LEASE OBLIGATION

The Organization leases office equipment under a noncancelable operating lease which expires in November 2022. Future minimum lease payments required under the equipment lease are \$3,177 annually through 2022.

NOTE 6 CONCENTRATIONS OF RISK

The financial instruments which subject the Organization to a concentration of credit risk are cash, investments and pledges receivable. At times, cash balances on account may be in excess of the Federal Deposit Insurance Corporation coverage limit. The Organization maintains its accounts with high quality financial institutions.

NOTE 7 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash paid for interest was \$27,801 and \$36,744 for the years ended December 31, 2017 and 2016, respectively.

Noncash investing activities not included in the cash flow statement for the year ended December 31, 2017 consisted of donated stock at a fair value of \$706.

GILDA'S CLUB TWIN CITIES, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016

NOTE 8 SUBSEQUENT EVENTS

In preparing these financial statements, the Organization has evaluated for recognition or disclosure the events or transactions that occurred through July 24, 2018, the date the financial statements were available to be issued. No such events occurred that needed disclosure.

SUPPLEMENTARY INFORMATION

**GILDA'S CLUB TWIN CITIES
SCHEDULES OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017				2016			
	Total Costs	Program Services	Management and General	Fundraising	Total Costs	Program Services	Management and General	Fundraising
Salaries and Wages	\$ 306,550	\$ 153,275	\$ 24,524	\$ 128,751	\$ 331,793	\$ 162,579	\$ 29,861	\$ 139,353
Payroll Taxes	33,299	16,650	2,664	13,985	28,913	14,168	2,602	12,143
Employee Benefits	43,798	24,527	2,628	16,643	51,736	25,868	5,174	20,694
Special Event Expenses	61,200	12,240	-	48,960	84,530	16,906	-	67,624
Fundraising Expenses	43,596	-	-	43,596	25,543	-	-	25,543
Marketing	9,232	9,232	-	-	24,212	24,212	-	-
Program Expense	154,127	154,127	-	-	153,655	153,655	-	-
Volunteer and Board Expenses	2,260	1,808	-	452	1,657	1,325	166	166
Professional Fees	11,628	-	11,628	-	15,278	9,167	1,528	4,583
Office Rent	727	655	36	36	1,707	1,537	85	85
Depreciation and Amortization	56,153	50,537	2,808	2,808	66,525	59,873	3,326	3,326
Repairs and Maintenance	23,896	21,506	1,195	1,195	33,414	30,072	1,671	1,671
Utilities	11,565	10,409	578	578	11,259	10,133	563	563
Telephone and Internet	4,065	2,846	203	1,016	3,087	2,779	154	154
Office Supplies	18,544	11,127	1,854	5,563	19,383	17,445	969	969
Insurance	11,791	10,611	590	590	10,720	9,648	536	536
Travel and Entertainment	500	400	-	100	1,558	1,246	78	234
Training and Seminars	380	304	-	76	1,634	1,307	82	245
Printing and Reproduction	823	-	823	-	3,690	2,952	369	369
Postage and Delivery	179	-	179	-	1,032	826	103	103
Licenses and Permits	101	81	-	20	290	87	87	116
Bank and Credit Card Fees	15,234	3,047	-	12,187	10,143	2,029	-	8,114
Interest Expense	27,251	24,525	1,363	1,363	37,045	33,341	1,852	1,852
Security Expense	998	898	50	50	808	728	40	40
Bad Debt Expense	40,030	-	-	40,030	2,675	-	-	2,675
Total Expenses	\$ 877,927	\$ 508,805	\$ 51,123	\$ 317,999	\$ 922,287	\$ 581,883	\$ 49,246	\$ 291,158

See accompanying Independent Auditor's Report.