

GILDA'S CLUB CHICAGO
FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

Sassetti



CERTIFIED PUBLIC ACCOUNTANTS

GILDA'S CLUB CHICAGO
FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

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Board of Directors
Gilda's Club Chicago
Chicago, Illinois

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of **GILDA'S CLUB CHICAGO** (a nonprofit organization), 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. 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 auditors' 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 CHICAGO** at December 31, 2020 and 2019, and the changes in net assets and cash flows for the years then ended, in accordance with accounting principles generally accepted in the United States of America.

Sassetti LLC

Oak Park, Illinois
May 11, 2021

GILDA'S CLUB CHICAGO
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

| | 2020 | 2019 |
|----------------------------------|--------------|--------------|
| ASSETS | | |
| Cash and cash equivalents | \$ 756,505 | \$ 486,617 |
| Pledges receivable, net | - | 123,783 |
| Prepaid expenses | 41,457 | 50,073 |
| Property and equipment, net | 880,267 | 938,412 |
| Total Assets | \$ 1,678,229 | \$ 1,598,885 |
| LIABILITIES | | |
| Accounts payable | \$ 20,286 | \$ 18,424 |
| Accrued expenses | 107,964 | 78,656 |
| Total Liabilities | 128,250 | 97,080 |
| NET ASSETS | | |
| Without donor restrictions | 1,486,542 | 1,352,662 |
| With donor restrictions | 63,437 | 149,143 |
| Total Net Assets | 1,549,979 | 1,501,805 |
| Total Liabilities and Net Assets | \$ 1,678,229 | \$ 1,598,885 |

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

GILDA'S CLUB CHICAGO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| REVENUE | | | |
| Individual Contributions | 813,591 | \$ - | \$ 813,591 |
| Corporation and foundation grants | 245,550 | 218,800 | 464,350 |
| Special events and sponsorships, net of special event expenses of \$50,000 | 520,668 | - | 520,668 |
| Interest income | 2,126 | - | 2,126 |
| In-kind donations | 17,500 | - | 17,500 |
| Paycheck Protection Program grant | 215,100 | - | 215,100 |
| Miscellaneous income | 10,050 | - | 10,050 |
| Net assets released from restrictions | 304,506 | (304,506) | - |
| | <u>2,129,091</u> | <u>(85,706)</u> | <u>2,043,385</u> |
| EXPENSES | | | |
| Program services | | | |
| Support for people with cancer and their families | 1,371,377 | - | 1,371,377 |
| Support Services | | | |
| Management and general | 173,829 | - | 173,829 |
| Fundraising | 450,005 | - | 450,005 |
| | <u>1,995,211</u> | <u>-</u> | <u>1,995,211</u> |
| CHANGE IN NET ASSETS | 133,880 | (85,706) | 48,174 |
| NET ASSETS | | | |
| Beginning of year | <u>1,352,662</u> | <u>149,143</u> | <u>1,501,805</u> |
| End of year | <u>\$ 1,486,542</u> | <u>\$ 63,437</u> | <u>\$ 1,549,979</u> |

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

GILDA'S CLUB CHICAGO
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|---------------------|
| REVENUE | | | |
| Individual contributions | \$ 262,335 | \$ 5,000 | \$ 267,335 |
| Corporation and foundation grants | 426,417 | 309,500 | 735,917 |
| Special events and sponsorships, net of special event expenses of \$248,997 | 713,125 | - | 713,125 |
| Interest income | 3,123 | - | 3,123 |
| In-kind donations | 70,000 | - | 70,000 |
| Miscellaneous income | 660 | - | 660 |
| Net assets released from restrictions | 214,038 | (214,038) | - |
| Total Revenue | 1,689,698 | 100,462 | 1,790,160 |
| EXPENSES | | | |
| Program services | | | |
| Support for people with cancer and their families | 1,626,644 | - | 1,626,644 |
| Support Services | | | |
| Management and general | 164,043 | - | 164,043 |
| Fundraising | 257,554 | - | 257,554 |
| Total Expenses | 2,048,241 | - | 2,048,241 |
| CHANGE IN NET ASSETS | (358,543) | 100,462 | (258,081) |
| NET ASSETS | | | |
| Beginning of year | 1,711,205 | 48,681 | 1,759,886 |
| End of year | <u>\$ 1,352,662</u> | <u>\$ 149,143</u> | <u>\$ 1,501,805</u> |

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

GILDA'S CLUB CHICAGO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2020

| | Support Services | | | Total |
|--|---------------------|---------------------------|-------------|--------------|
| | Program Services | Management and General | Fundraising | |
| Salaries | \$ 858,695 | \$ 65,998 | \$ 235,814 | \$ 1,160,507 |
| Payroll taxes | 62,844 | 5,095 | 16,985 | 84,924 |
| Health insurance | 88,320 | 7,161 | 23,870 | 119,351 |
| Employee Benefits | 13,645 | 1,106 | 3,688 | 18,439 |
| Total Salaries and Related Expenses | 1,023,504 | 79,360 | 280,357 | 1,383,221 |
| Advertising and promotion | - | - | 58,757 | 58,757 |
| Computer | 4,060 | - | - | 4,060 |
| Contractual services | 146,406 | - | - | 146,406 |
| Facility rental expense | 20,349 | 259 | - | 20,608 |
| Food and beverage | 6,636 | 4 | 3,524 | 10,164 |
| Insurance | 21,709 | 1,357 | 4,070 | 27,136 |
| Licenses, fees and dues | 15,442 | 12,150 | 14,451 | 42,043 |
| Miscellaneous | 2,101 | 6,521 | - | 8,622 |
| Printing, postage and shipping | 4,311 | 612 | 34,476 | 39,399 |
| Professional fees | 19,560 | 64,213 | 37,025 | 120,798 |
| Repairs and maintenance | 21,959 | 4,123 | 3,455 | 29,537 |
| Seminars and education | 800 | 1,100 | 50 | 1,950 |
| Supplies | 11,690 | 71 | 429 | 12,190 |
| Telephone | 9,688 | 466 | 2,547 | 12,701 |
| Transportation assistance | 3,200 | - | - | 3,200 |
| Travel | 2,649 | - | 118 | 2,767 |
| Utilities | 8,557 | 546 | 1,604 | 10,707 |
| Total Expenses before Depreciation and Amortization | 1,322,621 | 170,782 | 440,863 | 1,934,266 |
| Depreciation and amortization | 48,756 | 3,047 | 9,142 | 60,945 |
| Total Expenses | \$ 1,371,377 | \$ 173,829 | \$ 450,005 | \$ 1,995,211 |

GILDA'S CLUB CHICAGO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2019

| | <u>Support Services</u> | | | Total |
|--|-------------------------|---------------------------|-------------------|---------------------|
| | Program Services | Management and General | Fundraising | |
| Salaries | \$ 863,174 | \$ 53,948 | \$ 161,845 | \$ 1,078,967 |
| Payroll taxes | 63,765 | 3,985 | 11,956 | 79,706 |
| Health and dental insurance | 79,598 | 4,975 | 14,925 | 99,498 |
| Employee benefits | 12,498 | 781 | 2,343 | 15,622 |
| Total Salaries and Related Expenses | 1,019,035 | 63,689 | 191,069 | 1,273,793 |
| Advertising and promotion | 56,214 | 3,513 | 10,540 | 70,267 |
| Computer | 5,543 | 346 | 1,039 | 6,928 |
| Contractual services | 172,644 | - | - | 172,644 |
| Facility rental expense | 64,246 | 4,015 | 12,046 | 80,307 |
| Food and beverage | 37,150 | - | - | 37,150 |
| Insurance | 19,732 | 1,233 | 3,700 | 24,665 |
| Licenses, fees and dues | 22,466 | 16,362 | 4,212 | 43,040 |
| Miscellaneous | - | 7,241 | - | 7,241 |
| Printing, postage and shipping | 23,738 | - | - | 23,738 |
| Professional fees | 49,508 | 59,089 | 9,283 | 117,880 |
| Repairs and maintenance | 26,537 | 1,659 | 4,976 | 33,172 |
| Seminars and education | 5,078 | 317 | 952 | 6,347 |
| Supplies | 15,177 | 949 | 2,846 | 18,972 |
| Telephone | 14,945 | 934 | 2,802 | 18,681 |
| Transportation assistance | 19,492 | - | - | 19,492 |
| Travel | 14,145 | 884 | 2,652 | 17,681 |
| Utilities | 11,957 | 747 | 2,242 | 14,946 |
| Total Expenses before Depreciation and Amortization | 1,577,607 | 160,978 | 248,359 | 1,986,944 |
| Depreciation and amortization | 49,037 | 3,065 | 9,195 | 61,297 |
| Total Expenses | <u>\$ 1,626,644</u> | <u>\$ 164,043</u> | <u>\$ 257,554</u> | <u>\$ 2,048,241</u> |

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

GILDA'S CLUB CHICAGO
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2020 AND 2019

| | <u>2020</u> | <u>2019</u> |
|--|-------------------|-------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in net assets | \$ 48,174 | \$ (258,081) |
| Adjustments to reconcile net assets to net cash (used in) provided by operating activities: | | |
| Depreciation and amortization | 60,945 | 61,297 |
| Decrease (increase) in: | | |
| Accounts and pledges receivable | 123,783 | 5,926 |
| Prepaid expenses | 8,616 | (24,735) |
| Increase in: | | |
| Accounts payable and accrued expenses | <u>31,170</u> | <u>16,326</u> |
| Net Cash Provided by (Used in) Operating Activities | <u>272,688</u> | <u>(199,267)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of property and equipment, net | <u>(2,800)</u> | <u>-</u> |
| Net Cash Used in Investing Activities | <u>(2,800)</u> | <u>-</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 269,888 | (199,267) |
| CASH AND CASH EQUIVALENTS: | | |
| Beginning of year | <u>486,617</u> | <u>685,884</u> |
| End of year | <u>\$ 756,505</u> | <u>\$ 486,617</u> |
| SUPPLEMENTAL INFORMATION: | | |
| Cash paid for interest | <u>\$ -</u> | <u>\$ -</u> |
| Cash paid for taxes | <u>\$ -</u> | <u>\$ -</u> |

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

GILDA'S CLUB CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

1. NATURE OF ORGANIZATION

Gilda's Club Chicago (the "Organization") provides a place where men, women and children with cancer and their families and friends join with others to build social and emotional support as a supplement to medical care in the Chicagoland area. Beginning on March 16, 2020, the Organization's programs were facilitated virtually. The Organization derives its revenues primarily from contributions and special events.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation - These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

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 the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

Cash and Cash Equivalents- Cash and cash equivalents consist of highly liquid investments with an initial maturity of three months or less. At December 31, 2020 and 2019, cash equivalents consisted primarily of money market accounts.

At December 31, 2020, the Organization's cash accounts exceeded federally insured limits by approximately \$512,000. Amounts are held in well-known financial institutions and the Organization does not believe it is exposed to any significant risk of loss.

Pledges Receivable, Net – When an unconditional promise to give is received or the condition has been fulfilled for a conditional promise to give, the corresponding pledges receivable are recorded as revenue at the present value of expected proceeds.

Management provides for probable allowance for both pledges and accounts receivable based on historical information and its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledge or accounts receivable. As of December 31, 2020 and 2019 there was no allowance for uncollectible receivables.

Revenue Recognition – A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. Conditional promises to give are not recognized until they become unconditional, that is, at the time when the conditions are substantially met.

GILDA'S CLUB CHICAGO
NOTES TO FINANCIAL STATEMENTS
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Contributed income is reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expirations of restrictions on net assets due to either the Organization fulfilling donor-imposed restrictions or the passage of time, are reported as net assets released from restrictions.

Contributed income may include gifts of cash, collection items, or promises to give. Contributions of assets other than cash are reported at their estimated fair value. When considered material, contributions, and grants to be received after one (1) year are discounted at an appropriate discount rate commensurate with the risk involved. Multi-year commitments are recorded during the year of the initial pledge.

Contributed income of cash or other assets that must be used to acquire long-lived assets are recorded as contributions with donor restrictions and grants until the assets are acquired and placed in service.

The Organization generally measures revenue based on the amount of consideration the Organization expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Organization satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Organization evaluates its revenue contracts with customers (i.e., earned revenue) based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

Other income is recognized as it is earned.

Property and Equipment - Purchased property and equipment are stated at cost. Donated property and equipment is carried at the approximate fair value at the date of donation. Depreciation and amortization are calculated based on estimated useful lives using the straight-line method, ranging from 3 to 25 years. The Organization's policy is to capitalize all expenditures for improvements, property, and equipment in excess of \$500, if the expenditure is expected to prolong the life of the asset.

Maintenance and repair costs are expensed as incurred.

Classification of Net Assets - Net assets of the Organization are classified as with or without donor restrictions depending on the presence and characteristics of donor-imposed restrictions limiting the Organization's ability to use or dispose of contributed assets or the economic benefits embodied in those assets.

Net assets without donor restrictions are available for use at the discretion of the Board of Directors and/or management for general operating purposes. From time to time, the Board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

GILDA'S CLUB CHICAGO
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Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Organization reports gifts of cash or other assets as revenue with donor restrictions if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, the net assets are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Income Taxes- The Organization claims exemption from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar provisions of state tax codes. The Organization recognizes the financial statement impact of a tax position when it is more likely than not that the position will be sustained upon examination. The Organization's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS and the corresponding State, generally for three years after they were filed.

Functional Allocation of Expenses- The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Organization are reported as expenses of that functional area. Costs that benefit multiple functional areas are allocated across program, management and general, and fundraising expenses based on square footage. Square footage is attributed to a functional area based on the types of activities performed in that space during the year.

Donated Services- Donated services are recognized as contributions 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 Organization. Volunteers provide various program services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met.

Reclassifications – Certain reclassifications of amounts previously reported have been made to the accompanying 2019 financial statements to maintain consistency between periods presented. The reclassification had no impact on previously reported net assets.

3. CONCENTRATIONS

It is always considered reasonably possible that benefactors, grantors, or contributors might be lost in the near term. During 2020 and 2019, one special event comprised 23% and 26% of the Organization's revenues, respectively. During 2020, one foundation comprised 24% of the Organization's revenues. No individual or foundation donor concentrations were noted in 2019. Two foundations comprised 75% of the pledges receivable balance at December 31, 2019. No receivable concentrations were noted in 2020.

4. PROPERTY AND EQUIPMENT

Property and equipment consisted of the following at December 31:

GILDA'S CLUB CHICAGO
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| | 2020 | 2019 |
|---|-------------|-------------|
| Land | \$ 725,000 | \$ 725,000 |
| Building and building improvements | 1,480,233 | 1,479,433 |
| Furniture, fixtures and equipment | 415,408 | 415,408 |
| Website | 103,445 | 103,445 |
| | 2,724,086 | 2,723,286 |
| Less: Accumulated depreciation and amortization | (1,843,819) | (1,784,874) |
| Total property and equipment, net | \$ 880,267 | \$ 938,412 |

5. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following for the years ended December 31:

| | 2020 | 2019 |
|---|-----------|------------|
| <u>Amounts subject to expenditure for a specified purpose or time</u> | | |
| Northwestern Memorial Hospital | \$ 8,810 | \$ - |
| Bilingual program coordinator | - | 7,033 |
| Kids and teens camps | - | 13,277 |
| Noogieland | 4,627 | 18,000 |
| Social medial awareness campaign related to metastatic breast cancer | - | 15,000 |
| Time-restricted contributions | 50,000 | 95,833 |
| | \$ 63,437 | \$ 149,143 |

Net assets were released from restrictions for the following purpose or time restriction during the years ended December 31, 2020 and 2019:

GILDA'S CLUB CHICAGO
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 and 2019

| | 2020 | 2019 |
|-------------------------------------|------------|------------|
| Psychosocial support for | | |
| Lung & Prostate Cancer patients | \$ - | \$ 3,681 |
| Bilingual program coordinator | 7,032 | 42,967 |
| Kids and teens camps | 38,277 | 21,723 |
| Social medial awareness campaign | | |
| related to metastatic breast cancer | 15,000 | 45,000 |
| Noogieland program | 18,000 | 15,000 |
| Outreach to underserved communities | - | 30,000 |
| Kids Kicking Cancer program | 25,373 | - |
| Teen essay award | - | 10,000 |
| Transportation assistance program | - | 15,000 |
| Advocate Christ Medical Center | - | 15,000 |
| Northwestern Memorial Hospital | 154,990 | |
| Other programs | - | 11,500 |
| Time-restricted contributions | 45,834 | 4,167 |
| | \$ 304,506 | \$ 214,038 |

6. DONATED SERVICES, PROPERTY AND EQUIPMENT

The Organization received donated use of space and services in the amount of \$17,500 and \$70,000 in 2020 and 2019, respectively, to assist in the Organization's program services. These amounts have been recognized in the accompanying statements of activities as in-kind donations because the criteria for recognition of such services have been satisfied.

7. SPECIAL EVENT EXPENSES

Special event expenses, by natural category, are as follows, for the year ended December 31:

| | 2020 | 2019 |
|----------------------|-----------|------------|
| Event management | \$ 50,000 | \$ 56,000 |
| Food and beverage | - | 105,268 |
| Facility rental | - | 21,169 |
| Promotion | - | 32,309 |
| Printing and postage | - | 6,624 |
| Other | - | 27,627 |
| | \$ 50,000 | \$ 248,997 |

GILDA'S CLUB CHICAGO
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All special event expenses summarized above are considered fundraising expenses for purposes of categorization of expenses by function. In 2020, the Organization had a virtual event, which is why there were no costs associated with the gala.

8. RETIREMENT PLAN

The Organization sponsors a 401(k) plan for eligible employees. Employee elective deferrals are matched by the Organization at the rate of 50% up to 6% of compensation. The Organization contributed \$18,439 and \$15,623 to the plan during 2020 and 2019, respectively.

9. LINE OF CREDIT

The Organization has a \$200,000 revolving line of credit expiring in December 2021. At December 31, 2020 and 2019, there was no amount borrowed against this line. The line is collateralized by substantially all of the Organization's assets. Interest varies with the bank's prime rate, which was 3.25% on December 31, 2020, and is payable monthly.

10. RELATED PARTY TRANASCTIONS

The Organization is an affiliate of the Cancer Support Community (CSC). CSC optimizes patient care by providing essential services including support groups, counseling, education, and healthy lifestyle programs. CSC provides the highest quality emotional and social support through a network of more than 50 local affiliates, 100 satellite locations and online. The organization paid \$20,117 and \$17,066 to CSC during the years ended December 31, 2020 and 2019, respectively. The Organization received \$4,150 and \$9,400 from CSC during the years ended December 31, 2020 and 2019, respectively. No balances were due to or from CSC for the years ended December 31, 2020 and 2019.

11. LIQUIDITY OF AVAILABILITY OF RESOURCES

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has various sources of liquidity at its disposal, including cash and cash equivalents.

For purposes of analyzing resources available to meet general expenditures over the next 12-month period, the Organization considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

The Organization's financial assets available for general expenditure within one year of the statements of financial position date are as follows:

GILDA'S CLUB CHICAGO
NOTES TO FINANCIAL STATEMENTS
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| | 2020 | 2019 |
|--|------------|------------|
| Cash and cash equivalents | \$ 756,505 | \$ 486,617 |
| Pledges receivable, net | - | 123,783 |
| | 756,505 | 610,400 |
| Less: Amounts unavailable for general expenditure due to: | | |
| Restriction by donor for a specific time period | - | 45,833 |
| | - | 45,833 |
| Total financial assets available to management for general expenditure within one year | \$ 756,505 | \$ 564,567 |

The Organization has a policy to maintain a cash reserve of three months and as of December 31, 2020, has three months of operating funds on hand. If needed, the Organization has access to a line of credit that would cover a month and a half of operating expenditures.

12. FUTURE ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which will supersede the current lease recording requirements in Topic 842. The ASU looks to increase transparency and comparability by conforming US GAAP with International Accounting Standards as it relates to leases. The new standard will require, among other things, that all leases, including operating leases, be included on the balance sheet as a "right of use" asset with an offsetting liability for the payments remaining on the lease. The new guidance will be effective for the Organization's year ending December 31, 2022, with early application permitted.

The Organization is currently evaluating the impact of the adoption of the above standard on its financial statements.

13. UNCERTAINTIES AND COVID-19

On March 10, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic, and on March 13, 2020, the President of the United States declared the COVID-19 pandemic a national emergency, invoking powers under the Stafford Act, the Legislation that directs federal emergency disaster response. In-person programs and special events of the organization have been impacted by the pandemic. The Organization cannot predict how legal and regulatory responses to concerns about COVID-19 or other major public health issues will continue to affect operations in 2021. The total magnitude, timing, and duration of such potential financial impacts cannot be reasonably estimated at this time.

GILDA'S CLUB CHICAGO
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14. PAYCHECK PROTECTION PROGRAM

On April 9, 2020, the Organization entered into a loan agreement with a commercial bank for \$215,100, pursuant to the Paycheck Protection Program (the "PPP") of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was enacted March 27, 2020. The application for these funds required the Organization in good faith to certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Organization.

Under the terms of the PPP loan, the Organization was eligible for full or partial loan forgiveness. The Organization was granted forgiveness for this loan on December 18, 2020, for expenses between April 9, 2020 and June 30, 2020 and the amount of \$215,100 is included in the Statement of Activities as a Paycheck Protection Program grant for the year ended December 31, 2020.

On February 6, 2021, the Organization entered into a second loan agreement with a commercial bank for \$227,175, pursuant to the PPP of the CARES Act. The application for these funds required the Organization in good faith to certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Organization.

Under the terms of the PPP loan, the Organization may be eligible for full or partial loan forgiveness. The unforgiven portion of the PPP loan is payable over five years at an annual interest rate of 1%, with a deferral of payments for the first ten months. The Organization intends to use the proceeds for purposes consistent with the PPP. While the Organization currently believes that its use of the loan proceeds will meet the conditions for forgiveness of the loan, there can be no assurance that the Organization will be eligible for forgiveness of the loan, in whole or in part.

Should the loan not be forgiven either in whole or in part, payments, including accrued interest, is due starting ten months after the end of the covered period, as defined by the Paycheck Protection Program guidelines, and matures on February 6, 2026.

15. SUBSEQUENT EVENTS

Management of the Organization have evaluated subsequent events through May 11, 2021, which is the date the financial statements were available to be issued.