

The City Club of Cleveland

**Financial Statements
June 30, 2010 and 2009**

The City Club of Cleveland

Financial Statements

June 30, 2010 and 2009

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Independent Auditors' Report

Board of Directors
The City Club of Cleveland

We have audited the accompanying statements of financial position of The City Club of Cleveland (the "City Club", a nonprofit organization) as of June 30, 2010 and 2009, and the related statements of activities and cash flows for the years then ended. These financial statements are the responsibility of the City 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 referred to above present fairly, in all material respects, the financial position of The City Club of Cleveland as of June 30, 2010 and 2009, 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 State of America.

Ciuni + Panichi, Inc.

Cleveland, Ohio
November 5, 2010

 C&P Advisors, LLC
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The City Club of Cleveland
Statements of Financial Position
June 30, 2010 and 2009 (as restated)

	<u>Assets</u>	
	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and cash equivalents	\$ 168,106	\$ 238,066
Accounts receivable – net of allowance for doubtful accounts of \$4,000 at June 30, 2010 and 2009	28,569	43,242
Inventories	16,073	15,471
Contributions receivable	35,226	34,250
Prepaid expenses	<u>14,215</u>	<u>32,946</u>
Total current assets	262,189	363,975
Property and equipment – at cost:		
Furniture, fixtures, and equipment	556,947	549,505
Leasehold improvements	<u>1,677,109</u>	<u>1,675,345</u>
	2,234,056	2,224,850
Less: accumulated depreciation and amortization	<u>(2,039,779)</u>	<u>(1,998,845)</u>
Property and equipment, net	<u>194,277</u>	<u>226,005</u>
Total assets	\$ <u>456,466</u>	\$ <u>589,980</u>
	<u>Liabilities and Net Assets</u>	
Current liabilities:		
Current portion of capital lease obligation	\$ 4,841	\$ 4,459
Accounts payable	28,011	64,582
Accrued payroll liabilities	17,000	6,480
Accrued vacation	38,472	35,748
Deferred revenue and deposits	64,757	62,783
Accrued expenses	<u>35,620</u>	<u>17,863</u>
Total current liabilities	188,701	191,915
Long-term liabilities:		
Capital lease obligation, net of current portion	<u>9,978</u>	<u>14,820</u>
Total liabilities	198,679	206,735
Net assets:		
Unrestricted:		
Undesignated	215,925	303,825
Board-designated (Special Programs)	<u>7,804</u>	<u>7,804</u>
Total unrestricted	223,729	311,629
Temporarily restricted	30,975	68,533
Permanently restricted	<u>3,083</u>	<u>3,083</u>
Total net assets	<u>257,787</u>	<u>383,245</u>
Total liabilities and net assets	\$ <u>456,466</u>	\$ <u>589,980</u>

The accompanying notes are an integral part of these financial statements

The City Club of Cleveland

Statement of Activities

For the year ended June 30, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenue:				
Contributions:				
The City Club Forum Foundation	\$ 98,860	\$ -	\$ -	\$ 98,860
Other	452,792	16,892	-	469,684
Membership dues	21,746	-	-	21,746
Net forum and lecture revenue	274,670	-	-	274,670
Rental revenue	9,050	-	-	9,050
Net catering revenue (Note 9)	299,081	-	-	299,081
Other	18,387	-	-	18,387
Net assets released from restrictions	<u>54,450</u>	<u>(54,450)</u>	<u>-</u>	<u>-</u>
Total support and revenue	1,229,036	(37,558)	-	1,191,478
Expenses:				
Programs	742,596	-	-	742,596
Catering	<u>373,210</u>	<u>-</u>	<u>-</u>	<u>373,210</u>
	1,115,806	-	-	1,115,806
Fundraising	91,009	-	-	91,009
Management and general	<u>110,121</u>	<u>-</u>	<u>-</u>	<u>110,121</u>
Total expenses	<u>1,316,936</u>	<u>-</u>	<u>-</u>	<u>1,316,936</u>
Changes in net assets	(87,900)	(37,558)	-	(125,458)
Net assets – beginning of year	<u>311,629</u>	<u>68,533</u>	<u>3,083</u>	<u>383,245</u>
Net assets – end of year	\$ <u>223,729</u>	\$ <u>30,975</u>	\$ <u>3,083</u>	\$ <u>257,787</u>

The accompanying notes are an integral part of these financial statements

The City Club of Cleveland

Statement of Activities

For the year ended June 30, 2009 (as restated)

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Support and Revenue:				
Contributions:				
The City Club Forum Foundation	\$ 98,442	\$ -	\$ -	\$ 98,442
Other	422,759	114,891	-	537,650
Membership dues	26,009	-	-	26,009
Net forum and lecture revenue	271,542	-	-	271,542
Rental revenue	10,711	-	-	10,711
Net catering revenue (Note 9)	265,605	-	-	265,605
Other	7,203	-	-	7,203
Net assets released from restrictions	<u>140,491</u>	<u>(140,491)</u>	<u>-</u>	<u>-</u>
Total support and revenue	1,242,762	(25,600)	-	1,217,162
Expenses:				
Programs	727,112	-	-	727,112
Catering	<u>381,147</u>	<u>-</u>	<u>-</u>	<u>381,147</u>
	1,108,259	-	-	1,108,259
Fundraising	112,837	-	-	112,837
Management and general	<u>129,912</u>	<u>-</u>	<u>-</u>	<u>129,912</u>
Total expenses	<u>1,351,008</u>	<u>-</u>	<u>-</u>	<u>1,351,008</u>
Changes in net assets	(108,246)	(25,600)	-	(133,846)
Net assets – beginning of year	<u>419,875</u>	<u>94,133</u>	<u>3,083</u>	<u>517,091</u>
Net assets – end of year	\$ <u>311,629</u>	\$ <u>68,533</u>	\$ <u>3,083</u>	\$ <u>383,245</u>

The accompanying notes are an integral part of these financial statements

The City Club of Cleveland

Statements of Cash Flows

For the years ended June 30, 2010 and 2009 (as restated)

	<u>2010</u>	<u>2009</u>
Cash flow from operating activities:		
Changes in net assets	\$ (125,458)	\$ (133,846)
Adjustments to reconcile changes in net assets to cash used by operating activities:		
Depreciation and amortization	48,078	45,744
Other	-	281
Changes in operating assets and liabilities:		
Accounts receivable – net	14,673	24,658
Inventories	(602)	(747)
Contributions receivable	(976)	(7,133)
Prepaid expenses	18,731	(32,946)
Accounts payable	(36,571)	63,582
Accrued payroll and related liabilities	13,244	3,374
Deferred revenue and deposits	1,974	(4,409)
Accrued expenses	<u>17,757</u>	<u>13,797</u>
Net cash used by operating activities	(49,150)	(27,645)
Cash flows used by investing activities:		
Purchases of property and equipment	(16,350)	(25,366)
Cash flows used by financing activities:		
Payments of capital lease obligation	<u>(4,460)</u>	<u>(4,107)</u>
Net decrease in cash and cash equivalents	(69,960)	(57,118)
Cash and cash equivalents – beginning of year	<u>238,066</u>	<u>295,184</u>
Cash and cash equivalents – end of year	\$ <u><u>168,106</u></u>	\$ <u><u>238,066</u></u>
Supplemental disclosures of cash flow information:		
Cash paid during the year for interest	\$ <u><u>1,424</u></u>	\$ <u><u>1,776</u></u>

The accompanying notes are an integral part of these financial statements

The City Club of Cleveland

Notes to the Financial Statements

June 30, 2010 and 2009 (as restated)

Note 1: Summary of Significant Accounting Policies

Organization and Purpose

The City Club of Cleveland (the “City Club”) is a tax-exempt non-profit corporation incorporated in Ohio in 1912. Its purposes are to provide a non-partisan platform for the exchange of ideas, the discussion of public issues, and the general education of its members and the general public.

Basis of Presentation

On September 30, 2009, the City Club adopted authoritative guidance issued by the Financial Accounting Standards Board (“FASB”) which established the FASB Accounting Standards Codification (“ASC”) as the single source of authoritative accounting principles generally accepted in the United States of America. The City Club has modified its disclosures in its report to comply with the requirements. Accordingly, references to authoritative accounting principles after the effective date will reference the codification and not the previous accounting guidance. The adoption of the guidance did not have a material effect on the City Club’s financial position, changes in net assets, or cash flows.

The accompanying financial statements have been prepared utilizing the accrual method of accounting. Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the City Club and changes therein are classified and reported as follows:

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions. This includes net assets that are considered Board-designated.

Temporarily Restricted Net Assets – Net assets subject to donor-imposed restrictions that may or will be met, either by actions of the City Club and/or the passage of time. When a 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. If donor-imposed restrictions are met in the same year as they are imposed, the net assets are reported as unrestricted.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained by the City Club in perpetuity.

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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

The City Club of Cleveland

Notes to the Financial Statements

June 30, 2010 and 2009 (as restated)

Note 1: Summary of Significant Accounting Policies (continued)

Income Taxes

The City Club is tax exempt, under Section 501(c)(3) of the Internal Revenue Code of 1986. Accordingly, the City Club is not required to pay income taxes on activities related to its exempt purposes.

During fiscal year 2010, the City Club adopted the “Accounting for Uncertainty in Income Taxes” topic of the FASB ASC. Uncertain income tax positions are evaluated at least annually by management. As of June 30, 2010, the City Club has identified no uncertain income tax positions and has incurred no amounts for income tax penalties and interest for the year then ended.

Cash and Cash Equivalents

Cash and cash equivalents include demand deposits, money market accounts, and investments with original maturities of three months or less.

Concentrations of Credit Risk

Financial instruments which potentially subject the City Club to concentrations of credit risk consist of cash and cash equivalents.

At various times during the years ended June 30, 2010 and 2009, the City Club’s cash in bank balances may exceed federally insured limits. The City Club places its cash and cash equivalents with creditworthy, high-quality financial institutions.

Receivables and Credit Policies

Accounts receivable includes program service fees. These amounts are due under various payment terms. Payments of receivables are allocated to the specific invoices identified on the remittance advice or, if unspecified, are applied to the earliest unpaid invoices.

The carrying amount of accounts receivable is reduced by a valuation allowance that reflects management’s best estimate of the amounts that will not be collected. Management individually reviews all receivable balances that exceed 90 days from invoice date and estimates the portion, if any, of the balance that will not be collected. Additionally, management estimates an allowance for the aggregate remaining receivables based on historical collectability.

The City Club of Cleveland
Notes to the Financial Statements
June 30, 2010 and 2009 (as restated)

Note 1: Summary of Significant Accounting Policies (continued)

Contributions Receivable

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Unconditional promises to give are recognized as revenues in the period the promise is received. Conditional promises to give are recognized when the conditions upon which they depend are substantially met. The promises are initially recorded at their fair value. Promises to give that are to be received over a period of years are initially recorded at their fair value with consideration given to the respective payment terms and an appropriate discount rate as of the date the promise is received. The discount is amortized into contribution revenue over the term of the respective promise to give agreement.

Management individually reviews all outstanding contribution receivables and promises to give in order to determine the need for an allowance for uncollectible accounts. As of June 30, 2010 and 2009, management estimated that no such allowance was necessary.

Inventories

Inventories consisting of food and beverages are stated at the lower of cost or market on a first-in first-out (FIFO) basis.

Collections

Collections, which were acquired through contributions since the City Club's inception, are not capitalized. The collections consist of presidential campaign buttons and other memorabilia and works of art.

Revenue Recognition

Revenue from membership dues is recognized as revenue in the year to which it applies. Dues received in advance are recorded as deferred revenue.

All contributions and bequests are considered available for unrestricted use, unless received with donor stipulations that limit the use of the donated assets. When the intent of the donor is that the assets are to remain in perpetuity, the assets are reported as permanently restricted. The investment income generated by these assets is reported as temporarily restricted until the program restriction of the donor is fulfilled. When a donor restriction expires, for example, when a stipulated time restriction ends or 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.

Revenue from banquets, wedding, and other catering events is recognized in the year the event occurs.

The City Club of Cleveland

Notes to the Financial Statements

June 30, 2010 and 2009 (as restated)

Note 1: Summary of Significant Accounting Policies (continued)

Capital Campaign

The City Club began the Campaign for a New Century during fiscal year 2007. The campaign is raising funds to support the development of the City Club's strategic initiatives for the new century.

As of the years ended June 30, 2010 and 2009, \$60,000 had been pledged and collected as part of the campaign.

Donated Services

A substantial number of volunteers have donated significant amounts of their time to the operations of the City Club; however, the fair value of these services is not recorded.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the statements of activities. Accordingly, certain costs have been allocated between program services, management and general, and fundraising based upon factors such as relationship of direct expenses, time spent by employees, and square footage of space used for various programs and other activities when specific identification was not possible.

Advertising

Advertising costs are expenses as incurred. Advertising expense amounted to \$9,065 and \$16,536 for the years ended June 30, 2010 and 2009, respectively.

Depreciation and Amortization

Depreciation and amortization of property and equipment is provided by use of the straight-line method over the following estimated useful lives of the assets:

Furniture, fixtures, and equipment	3 to 10 years
Leasehold improvements	5 to 10 years

The City Club's policy is to capitalize all major betterments while other repairs and maintenance are charged to expense. The amount that is capitalized is determined by cost if purchased or fair value if contributed.

Subsequent Events

In preparing these financial statements, the City Club has evaluated events and transactions for potential recognition or disclosure through November 5, 2010, the date the financial statements were available to be issued.

The City Club of Cleveland

Notes to the Financial Statements

June 30, 2010 and 2009 (as restated)

Note 2: Related Party Transactions

The City Club receives significant contributions from The City Club Forum Foundation (the "Foundation"), a non-profit corporation, whose primary purpose is to provide support for an impartial forum for civic and educational purposes and in furtherance of free speech. The Foundation retains the unilateral right to direct its contributions to any organization that it wishes. Contributions received from the Foundation for the years ended June 30, 2010 and 2009, amounted to \$98,860 and \$98,442, respectively. A contribution receivable was recorded for \$24,075 as of both June 30, 2010 and 2009.

Note 3: Fair Value Measurements

In accordance with the "Fair Value Measurements" topic of the FASB ASC, the City Club uses a three-level fair value hierarchy that categorizes assets and liabilities measured at fair value based on the observability of the inputs utilized in the valuation. The hierarchy prioritizes the inputs into three broad levels as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City Club has the ability to access.
- Level 2 Inputs to the valuation methodology include:
- Quoted prices for similar assets or liabilities in active markets;
 - Quoted prices for identical or similar assets or liabilities in inactive markets;
 - Inputs other than quoted prices that are observable for the asset or liability; and
 - Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based upon the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the City Club believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The City Club of Cleveland

Notes to the Financial Statements

June 30, 2010 and 2009 (as restated)

Note 3: Fair Value Measurements (continued)

The following table sets forth by level, within the fair value hierarchy, the City Club's assets at fair value at June 30, 2010:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>6/30/2010</u>
Cash and cash equivalents:				
Money market accounts	\$ 108,508	\$ -	\$ -	\$ 108,508
Certificates of deposit	<u>5,524</u>	<u>-</u>	<u>-</u>	<u>5,524</u>
	<u>\$ 114,032</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 114,032</u>

The following table sets forth by level, within the fair value hierarchy, the City Club's assets at fair value at June 30, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>6/30/2009</u>
Cash and cash equivalents:				
Money market accounts	\$ 104,223	\$ -	\$ -	\$ 104,223
Certificates of deposit	<u>5,416</u>	<u>-</u>	<u>-</u>	<u>5,416</u>
	<u>\$ 109,639</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,639</u>

Note 4: Capital Lease Obligation

In February 2008, the City Club entered into a lease arrangement for a copier. The cost of the asset recorded under this capital lease is \$25,000 as of June 30, 2010 and 2009. Amortization of the asset recorded under the capital lease is included in depreciation expense and totaled \$5,000 for both the year ended June 30, 2010 and 2009. The lease agreement requires minimum monthly payments of \$490 with interest at 8.25% through June 2013.

At June 30, 2010, future payments of the obligation under the capital lease are summarized as follows:

For the years ending June 30,	
2011	\$ 5,883
2012	5,883
2013	<u>4,904</u>
Total minimum lease payments	16,670
Amounts representing interest	<u>(1,851)</u>
	\$ 14,819
Less: Current portion of capitalized lease obligation	<u>(4,841)</u>
Capital lease obligation, net of current portion	<u>\$ 9,978</u>

The City Club of Cleveland

Notes to the Financial Statements

June 30, 2010 and 2009 (as restated)

Note 5: Commitments

The City Club is obligated under various long-term operating leases for facilities and equipment expiring through May 2018. The facilities lease contains two 10-year renewal options. The first renewal option was exercised on May 31, 2007, extending the lease through May 31, 2018.

At June 30, 2010, remaining future minimum annual rentals under these agreements are as follows:

For the years ending June 30,		
2011	\$	110,436
2012		111,567
2013		113,778
2014		115,989
2015		116,839
Thereafter		<u>309,691</u>
Total minimum lease payments	\$	<u>878,300</u>

Rent, including occupancy expenses, for 2010 and 2009 amounted to \$109,725 and \$102,460, respectively.

Note 6: Permanently Restricted Net Assets

At June 30, 2010 and 2009, permanently restricted net assets were restricted to investments in perpetuity, the income from which is expendable to support bringing students from Independence High School to a Youth Forum.

Note 7: Temporarily Restricted Net Assets

At June 30, 2010 and 2009, temporarily restricted net assets were available for the following purposes:

	<u>2010</u>	<u>2009</u>
Radio and television promotion	\$ 5,628	\$ 24,866
Student and Youth Forum Series	18,394	25,589
Cleveland Foundation Summer Internship	4,453	-
100 th Anniversary	2,500	-
Race Perspective	<u>-</u>	<u>18,078</u>
	<u>\$ 30,975</u>	<u>\$ 68,533</u>

The City Club of Cleveland

Notes to the Financial Statements

June 30, 2010 and 2009 (as restated)

Note 7: Temporarily Restricted Net Assets (continued)

Net assets released from restriction for the years ended June 30, 2010 and 2009, were as follows:

	<u>2010</u>	<u>2009</u>
Radio and television promotion	\$ 19,238	\$ 82,860
Student and Youth Forum Series	17,134	34,881
Database project	-	606
Education Outreach	-	5,816
City Club in the City	-	6,000
New Century	-	9,905
Race Perspective	<u>18,078</u>	<u>423</u>
	<u>\$ 54,450</u>	<u>\$ 140,491</u>

Note 8: Employee Retirement Plan

The City Club has a contributory 401(k) plan that covers substantially all of its employees. Under the plan, employees may elect to contribute up to 20 percent of their compensation, subject to legal maximum limitations. The plan provides for an employer matching contribution in an amount to be determined annually. For 2010 and 2009, the employer matching contribution amounted to \$895 and \$9,912, respectively. As of July 2009, the employer matching contribution was suspended indefinitely by the Board of Directors.

The plan also provides for additional discretionary contributions, which can be authorized on an annual basis by the Board of Directors. There were no discretionary contributions for 2010 and 2009.

Note 9: Net Catering Revenue

For 2010 and 2009, net catering revenue consisted on the following components:

	<u>2010</u>	<u>2009</u>
Gross catering revenue	\$ 418,321	\$ 389,985
Less: cost of goods sold	<u>(119,240)</u>	<u>(124,380)</u>
Net catering revenue	<u>\$ 299,081</u>	<u>\$ 265,605</u>

For 2010 and 2009, certain shared expenses such as utilities, rent, depreciation, and management salaries were not allocated to the catering department.

The City Club of Cleveland

Notes to the Financial Statements

June 30, 2010 and 2009 (as restated)

Note 10: Contingencies

At various times, the City Club is involved in matters that could possibly require litigation, including disputes with its landlord over utilities charges and responsibility for air conditioning system repairs. With regard to the dispute over responsibility for the air conditioning system repairs, management has not determined that a liability is probable; therefore, no accrual has been made for any such costs as of June 30, 2010. Based upon information currently available with respect to other contingencies, management believes that any liability exposure resulting from such contingencies will not materially affect the financial position or operations of the City Club.

Note 11: Prior Period Adjustments and Reclassifications

Certain balances on the statement of financial position as of June 30, 2009 and the statements of activities and cash flows for the year then ended have been restated as a result of the identification of two errors. First, unrestricted net assets and temporarily restricted net assets have been restated as a result of management identifying an inconsistent calculation of the expense charged against temporarily restricted net assets for on-staff resources who provided support to prepare for television and radio productions during fiscal years 2001 through 2008. As a result, \$51,162 has been reclassified from temporarily restricted net assets to unrestricted net assets as of July 1, 2008. Second, contributions receivable as of June 30, 2009 and unrestricted net assets as of July 1, 2008 have been restated as a result of the timing of revenue recognition for the support received from the Foundation. The Foundation issues a letter at the beginning of a fiscal year which provides the total annual support to be provided to the City Club for that fiscal year. This annual amount is then paid in quarterly installments to the City Club, which are received subsequent to the end of the quarter. As such, at the end of a given fiscal year, one-quarter of that year's Foundation gift should be included in contributions receivable. As of June 30, 2009, the City Club should have had a receivable recorded of \$24,075. The receivable had not been recorded as management was recognizing revenue upon the receipt of cash. This method would have caused only three quarterly payments to have been recognized as revenue in the initial year this support was received from the Foundation, which was prior to fiscal year 2009.

Additionally, management has made a reclassification of \$9,175 of accounts receivable as originally presented in its statement of financial position as of June 30, 2009 to contributions receivable based upon the underlying nature of the amounts being promises to give received from donors at June 30, 2009.

The City Club of Cleveland

Notes to the Financial Statements

June 30, 2010 and 2009 (as restated)

Note 11: Prior Period Adjustments and Reclassifications (continued)

The following schedule reflects the restatement of amounts in the financial statements as of and for the year ended June 30, 2009:

Statement of financial position as of June 30, 2009:

	(as previously reported)	(as restated)
Accounts receivable	\$ 52,417	\$ 43,242
Contributions receivable	1,000	34,250
Total current assets	339,900	363,975
Total assets	565,905	589,980
Net assets:		
Total unrestricted	\$ 236,392	\$ 311,629
Temporarily restricted	119,695	68,533
Total net assets	359,170	383,245
Total liabilities and net assets	565,905	589,980

Statement of activities for the year ended June 30, 2009:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Net assets – beginning of year (as previously reported)	344,638	145,295	3,083	493,016
Net assets – beginning of year (as restated)	419,875	94,133	3,083	517,091

Statement of cash flows for the year ended June 30, 2009:

	(as previously reported)	(as restated)
Changes in operating assets and liabilities:		
Accounts receivable – net	\$ 15,483	\$ 24,658
Contributions receivable	2,042	(7,133)



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Independent Auditors' Report on Additional Information

Board of Directors
The City Club of Cleveland

Our report on our audits of the basic financial statements of The City Club of Cleveland for the years ended June 30, 2010 and 2009 appears on page 1. These audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The schedules of functional expenses for the years ended June 30, 2010 and 2009 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ciuni + Panichi, PC

Cleveland, Ohio
November 5, 2010

 C&P Advisors, LLC
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The City Club of Cleveland

Schedule of Functional Expenses

For the year ended June 30, 2010

	<u>Programs</u>	<u>Catering</u>	<u>Total Program Services</u>	<u>Fund- raising</u>	<u>Management and General</u>	<u>Total</u>
Payroll	\$ 331,504	\$ 280,905	\$ 612,409	\$ 74,664	\$ 55,984	\$ 743,057
Payroll taxes	37,333	28,571	65,904	5,098	6,588	77,590
Employee benefits	<u>39,825</u>	<u>6,299</u>	<u>46,124</u>	<u>4,923</u>	<u>7,029</u>	<u>58,076</u>
	<u>408,662</u>	<u>315,775</u>	<u>724,437</u>	<u>84,685</u>	<u>69,601</u>	<u>878,723</u>
Advertising and promotion	4,085	4,258	8,343	-	721	9,064
Building repair and maintenance	5,925	2,380	8,305	-	1,046	9,351
Computer	14,675	-	14,675	-	-	14,675
Depreciation and amortization	35,728	1,921	37,649	4,124	6,305	48,078
Equipment maintenance and rental	6,027	10,462	16,489	-	-	16,489
Interest	-	-	-	-	1,424	1,424
Legal and professional	-	-	-	-	10,640	10,640
Miscellaneous	23,943	5,800	29,743	-	2,705	32,448
Printing and postage	25,163	196	25,359	2,200	2,271	29,830
Program costs	81,926	-	81,926	-	809	82,735
Rent and occupancy	105,463	-	105,463	-	13,986	119,449
Security and insurance	11,515	-	11,515	-	-	11,515
Supplies	3,476	25,318	28,794	-	613	29,407
Taxes	1,311	-	1,311	-	-	1,311
Temporary staff	1,873	7,100	8,973	-	-	8,973
Telephone	<u>12,824</u>	<u>-</u>	<u>12,824</u>	<u>-</u>	<u>-</u>	<u>12,824</u>
	<u>333,934</u>	<u>57,435</u>	<u>391,369</u>	<u>6,324</u>	<u>40,520</u>	<u>438,213</u>
	\$ <u>742,596</u>	\$ <u>373,210</u>	\$ <u>1,115,806</u>	\$ <u>91,009</u>	\$ <u>110,121</u>	\$ <u>1,316,936</u>

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	<u>Programs</u>	<u>Catering</u>	<u>Total Program Services</u>	<u>Fund- raising</u>	<u>Management and General</u>	<u>Total</u>
Payroll	\$ 293,376	\$ 278,698	\$ 572,074	\$ 81,240	\$ 66,109	\$ 719,423
Payroll taxes	30,250	26,111	56,361	7,326	6,631	70,318
Employee benefits	<u>35,351</u>	<u>5,019</u>	<u>40,370</u>	<u>14,763</u>	<u>8,843</u>	<u>63,976</u>
	<u>358,977</u>	<u>309,828</u>	<u>668,805</u>	<u>103,329</u>	<u>81,583</u>	<u>853,717</u>
Advertising and promotion	11,885	4,651	16,536	-	-	16,536
Building repair and maintenance	8,939	-	8,939	-	1,577	10,516
Computer	13,665	-	13,665	-	2,412	16,077
Depreciation and amortization	30,302	1,846	32,148	8,248	5,348	45,744
Equipment maintenance and rental	9,723	12,049	21,772	-	-	21,772
Interest	-	-	-	-	1,776	1,776
Legal and professional	-	-	-	-	14,819	14,819
Miscellaneous	29,954	18,742	48,696	-	4,284	52,980
Printing and postage	48,314	-	48,314	1,260	5,014	54,588
Program costs	96,156	-	96,156	-	91	96,247
Rent and occupancy	84,347	-	84,347	-	12,502	96,849
Security and insurance	11,805	-	11,805	-	-	11,805
Supplies	2,869	24,294	27,163	-	506	27,669
Taxes	528	-	528	-	-	528
Temporary staff	8,565	9,737	18,302	-	-	18,302
Telephone	<u>11,083</u>	<u>-</u>	<u>11,083</u>	<u>-</u>	<u>-</u>	<u>11,083</u>
	<u>368,135</u>	<u>71,319</u>	<u>439,454</u>	<u>9,508</u>	<u>48,329</u>	<u>497,291</u>
	\$ <u>727,112</u>	\$ <u>381,147</u>	\$ <u>1,108,259</u>	\$ <u>112,837</u>	\$ <u>129,912</u>	\$ <u>1,351,008</u>