

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES
Hoffman Estates, IL

CONSOLIDATED FINANCIAL STATEMENTS

Including Independent Auditors' Report

As of and for the Years Ended December 31, 2014 and 2013

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

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INDEPENDENT AUDITORS' REPORT

Board of Directors
GiGi's Playhouse, Inc. and Subsidiaries
Hoffman Estates, IL

We have audited the accompanying consolidated financial statements of GiGi's Playhouse, Inc. and Subsidiaries (the "Organization"), which comprise the consolidated statement of financial position as of December 31, 2014, and the related consolidated statements of activities and cash flows for the year then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Organization as of December 31, 2014, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The consolidated financial statements of Gigi's Playhouse, Inc. and Subsidiaries as of December 31, 2013 were audited by other auditors, whose report dated July 18, 2014, expressed an unmodified opinion on those statements.

Report on Consolidating and Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The consolidating statement of financial position as of December 31, 2014 and the related consolidating statement of activities for the year then ended are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual organizations, and it is not a required part of the consolidated financial statements. Also, the consolidated statement of functional expenses for the year ended December 31, 2014 is presented for purposes of additional analysis and is not a required part of the consolidated 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 consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated 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 consolidated financial statements as a whole. The consolidating statement of financial position as of December 31, 2013 and the related consolidating statement of activities for the year then ended were subjected to auditing procedures applied in the December 31, 2013 audit of the basic financial statements by other auditors, whose report on such information stated that it was fairly stated in all material respects in relation to the December 31, 2013 consolidated financial statements as a whole.

Baker Tilly Virchow Krause, LLP

Chicago, Illinois
May 22, 2015

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION As of December 31, 2014 and 2013

	ASSETS			
	2014		2013	
	Unrestricted	Temporarily Restricted	Total	Temporarily Restricted
CURRENT ASSETS				
Cash	\$ 2,439,251	\$ 296,869	\$ 2,736,120	\$ 24,138
Certificates of deposit	100,000	-	100,000	-
Accounts receivable, net	23,619	-	23,619	-
Pledges receivable	21,625	-	21,625	-
Investment securities	-	-	-	-
Inventories	36,364	-	36,364	-
Deposits	-	-	-	-
Prepaid expenses	90,236	-	90,236	-
Other current assets	4,823	-	4,823	-
Total Current Assets	<u>2,715,918</u>	<u>296,869</u>	<u>3,012,787</u>	<u>24,138</u>
			<u>2,077,474</u>	
			<u>\$ 1,627,528</u>	<u>\$ 1,651,666</u>
			60,000	60,000
			990	990
			263,867	263,867
			45,244	45,244
			37,603	37,603
			1,880	1,880
			40,362	40,362
			-	-
			<u>2,101,612</u>	
PROPERTY AND EQUIPMENT				
Building	595,319	-	595,319	-
Furniture and equipment	593,729	-	593,729	-
Leasehold improvements	1,149,261	-	1,149,261	-
Total	2,338,309	-	2,338,309	-
Less: accumulated depreciation	322,050	-	322,050	-
Total Property and Equipment, Net	<u>2,016,259</u>	<u>-</u>	<u>2,016,259</u>	<u>-</u>
			<u>1,364,910</u>	<u>1,364,910</u>
OTHER ASSETS				
Pledges receivable	-	-	-	-
Deposits	76,536	-	76,536	-
Total Other Assets	<u>76,536</u>	<u>-</u>	<u>76,536</u>	<u>-</u>
			<u>23,500</u>	<u>23,500</u>
			<u>37,226</u>	<u>37,226</u>
			<u>60,726</u>	<u>60,726</u>
TOTAL ASSETS	<u>\$ 4,808,713</u>	<u>\$ 296,869</u>	<u>\$ 5,105,582</u>	<u>\$ 24,138</u>
			<u>\$ 3,503,110</u>	<u>\$ 3,527,248</u>

See accompanying notes to consolidated financial statements.

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)
As of December 31, 2014 and 2013

	\$	-	\$	\$	\$	\$	\$	\$
LIABILITIES AND NET ASSETS								
CURRENT LIABILITIES								
Accounts payable	89,291	-	89,291	144,102	-	144,102	-	144,102
Deferred revenue	-	-	-	31,005	24,138	31,005	24,138	55,143
Accrued payroll and payroll taxes	50,492	-	50,492	57,073	-	57,073	-	57,073
Deferred rent	66,833	-	66,833	-	-	-	-	-
Current maturities of long term debt	13,002	-	13,002	-	-	-	-	-
Total Current Liabilities	<u>219,618</u>	<u>-</u>	<u>219,618</u>	<u>232,180</u>	<u>24,138</u>	<u>232,180</u>	<u>24,138</u>	<u>256,318</u>
LONG-TERM DEBT, NET OF CURRENT MATURITIES								
Total Liabilities	<u>538,318</u>	<u>-</u>	<u>538,318</u>	<u>232,180</u>	<u>24,138</u>	<u>232,180</u>	<u>24,138</u>	<u>256,318</u>
NET ASSETS								
Total Liabilities	<u>4,270,395</u>	<u>296,869</u>	<u>4,567,264</u>	<u>3,270,930</u>	<u>-</u>	<u>3,270,930</u>	<u>-</u>	<u>3,270,930</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,808,713</u>	<u>\$ 296,869</u>	<u>\$ 5,105,582</u>	<u>\$ 3,503,110</u>	<u>\$ 24,138</u>	<u>\$ 3,503,110</u>	<u>\$ 24,138</u>	<u>\$ 3,527,248</u>

See accompanying notes to consolidated financial statements.

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES
For the Years Ended December 31, 2014 and 2013

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Total	Total
INCOME						
Contributions	\$ 1,707,757	\$ 113,389	\$ 1,821,146	\$ 1,627,441	\$ 1,627,441	\$ 1,627,441
Grants	239,131	21,720	260,851	485,832	485,832	485,832
Merchandise income	191,927	-	191,927	105,815	105,815	105,815
In-kind contributions	119,685	-	119,685	349,834	349,834	349,834
Special events	3,306,972	161,760	3,468,732	2,170,719	2,170,719	2,170,719
Interest income	1,196	-	1,196	1,793	1,793	1,793
Total Income	<u>5,566,668</u>	<u>296,869</u>	<u>5,863,537</u>	<u>4,741,434</u>	<u>4,741,434</u>	<u>4,741,434</u>
EXPENSES						
Bad debt expense	5,178	-	5,178	106	106	106
Computer and software expenses	48,084	-	48,084	25,812	25,812	25,812
Conference fees	67,130	-	67,130	54,113	54,113	54,113
Cost of goods sold	83,252	-	83,252	77,580	77,580	77,580
Depreciation	121,948	-	121,948	80,236	80,236	80,236
Dues and subscriptions	2,986	-	2,986	3,651	3,651	3,651
Entertainment	6,695	-	6,695	1,942	1,942	1,942
Equipment and equipment rental	32,041	-	32,041	43,688	43,688	43,688
Filing fees	12,509	-	12,509	11,670	11,670	11,670
Food and beverage	27,929	-	27,929	30,702	30,702	30,702
Fundraising expense	1,351,456	-	1,351,456	816,693	816,693	816,693
Insurance	25,364	-	25,364	19,543	19,543	19,543
Realized loss on investment securities	1	-	1	633	633	633
Loss on disposal of property and equipment	-	-	-	41,905	41,905	41,905
Maintenance	30,607	-	30,607	38,026	38,026	38,026
Marketing	50,517	-	50,517	45,796	45,796	45,796

See accompanying notes to consolidated financial statements.

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)
For the Years Ended December 31, 2014 and 2013

	2014		2013	
	Unrestricted	Temporarily Restricted	Total	Total
EXPENSES (cont.)				
Miscellaneous expense	28,667	-	28,667	16,438
Office supplies	71,413	-	71,413	39,306
Payroll expense	1,160,952	-	1,160,952	814,309
Payroll tax expense	117,768	-	117,768	84,873
Postage and delivery	26,669	-	26,669	17,207
Printing and reproduction	46,298	-	46,298	22,999
Professional fees	369,012	-	369,012	220,424
Program expenses	110,774	-	110,774	219,825
Rent	584,942	-	584,942	388,485
Service fees	37,796	-	37,796	31,642
Travel	42,696	-	42,696	35,488
Unrealized loss on investment securities	-	-	-	3,555
Utilities	104,519	-	104,519	64,436
Total Expenses	<u>4,567,203</u>	<u>-</u>	<u>4,567,203</u>	<u>3,251,083</u>
CHANGE IN NET ASSETS				
	999,465	296,869	1,296,334	1,490,351
NET ASSETS - Beginning of Year	<u>3,270,930</u>	<u>-</u>	<u>3,270,930</u>	<u>1,780,579</u>
NET ASSETS - END OF YEAR	<u>\$ 4,270,395</u>	<u>\$ 296,869</u>	<u>\$ 4,567,264</u>	<u>\$ 3,270,930</u>

See accompanying notes to consolidated financial statements.

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS For the Years Ended December 31, 2014 and 2013

	2014		2013		
	Unrestricted	Temporarily Restricted	Total	Temporarily Restricted	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Change in Net Assets	\$ 999,465	\$ 296,869	\$ 1,296,334	\$ -	\$ 1,490,351
Adjustments to reconcile change in net assets to net cash flows from operating activities					
Depreciation	121,948	-	121,948	-	80,236
Donated investment securities included with contributions	-	-	-	-	(20,385)
Realized loss on sale of investment securities	1	-	1	-	633
Unrealized loss on sale of investment securities	-	-	-	-	3,555
Loss on disposal of property and equipment	-	-	-	-	41,905
Changes in assets and liabilities					
Accounts receivable, net	(27,909)	-	(27,909)	-	1,418
Pledges receivable	265,742	-	265,742	-	(128,072)
Inventory	1,239	-	1,239	-	(19,763)
Prepaid expenses	(44,874)	-	(44,874)	-	(3,389)
Deposits	(37,430)	-	(37,430)	-	(21,241)
Other current assets	(4,823)	-	(4,823)	-	-
Accounts payable	(54,811)	-	(54,811)	-	106,200
Deferred revenue	(31,005)	(24,138)	(55,143)	(53,337)	(65,698)
Accrued payroll and payroll taxes	(6,581)	-	(6,581)	-	13,228
Deferred rent	66,833	-	66,833	-	-
Net Cash Flows from Operating Activities	<u>1,247,795</u>	<u>272,731</u>	<u>1,520,526</u>	<u>(53,337)</u>	<u>1,478,978</u>

See accompanying notes to consolidated financial statements.

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2014 and 2013

	2014		2013		
	Unrestricted	Temporarily Restricted	Total	Temporarily Restricted	Total
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of certificate of deposit	(60,518)	-	(60,518)	-	(60,000)
Proceeds on the sale of investment securities	45,244	-	45,244	-	66,787
Proceeds from sale of certificate of deposit	20,518	-	20,518	-	-
Purchase of property and equipment	(773,018)	-	(773,018)	-	(988,503)
Net Cash Flows from Investing Activities	(767,774)	-	(767,774)	-	(981,716)
CASH FLOWS FROM FINANCING ACTIVITIES					
Proceeds from long term debt	400,000	-	400,000	-	-
Payments on long term debt	(68,298)	-	(68,298)	-	-
Net Cash Flows from Financing Activities	331,702	-	331,702	-	-
Net Change in Cash and Cash Equivalents	811,723	272,731	1,084,454	(53,337)	497,262
CASH - Beginning of Year	1,627,528	24,138	1,651,666	77,475	1,154,404
CASH - END OF YEAR	\$ 2,439,251	\$ 296,869	\$ 2,736,120	\$ 24,138	\$ 1,651,666
Supplemental cash flow disclosures:					
Cash paid for interest	2014 \$ 2,877	2013 \$ -			
Noncash investing and financing activities:					
Donated investment securities, unrestricted	2014 \$ -	2013 \$ 20,385			

See accompanying notes to consolidated financial statements.

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2014 and 2013

NOTE 1 - Nature of Activities

GiGi's Playhouse, Inc. and Subsidiaries (the "Organization") are Down syndrome achievement and educational centers. The Organization provides national awareness campaigns, educational programs, activities, resources and support for individuals of all ages with Down syndrome, their families and the community.

NOTE 2 - Summary of Significant Accounting Policies

Basis of Presentation

The financial statement presentation follows the recommendation of the Not-for-Profit Entities topic of the Financial Accounting Standards Board Accounting Standards Codification. Under this topic, the Organization is required 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, if applicable. Accordingly, the net assets of the Organization are classified in the accompanying financial statements in the categories that follow

Permanently Restricted Net Assets - Net Assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Temporarily Restricted Net Assets - Net assets subject to donor-imposed stipulations that will be met by action of the Organization or the passage of time or both.

Unrestricted Net Assets - Net assets not subject to donor-imposed stipulations.

Principles of Consolidation

All significant intercompany balances and transactions are eliminated in consolidation. For the years ended December 31, 2014 and 2013 the Organization consolidated financial information on an annual basis.

The consolidated financial statements of GiGi's Playhouse, Inc. for the year ended December 31, 2014 and 2013 included the activities of GiGi's Playhouse-Hoffman Estates, LLC; GiGi's Playhouse-Chicago, LLC, GiGi's Playhouse-McHenry, LLC, GiGi's Playhouse-Fox Valley LLC, GiGi's Playhouse-Sioux City, LLC, GiGi's Playhouse-Rockford, LLC, GiGi's Playhouse-Des Moines, LLC, GiGi's Playhouse-Atlanta, LLC, GiGi's Playhouse-New York City, LLC, GiGi's Playhouse-Quad Cities, LLC, GiGi's Playhouse-Bradley, LLC, GiGi's Playhouse-Syracuse, LLC, GiGi's Playhouse-Twin Cities, LLC, GiGi's Playhouse-Nashville, LLC, GiGi's Playhouse-Oak Forest, LLC and GiGi's Playhouse-Madison, LLC.

The consolidated financial statements of GiGi's Playhouse, Inc. for the year ended December 31, 2014 also included activities of the following entities which opened during 2014: GiGi's Playhouse-Cedar Rapids, LLC, GiGi's Playhouse-Indianapolis, LLC, GiGi's Playhouse-Milwaukee, LLC, GiGi's Playhouse-El Paso, LLC, GiGi's Playhouse-Hillsborough, LLC, GiGi's Playhouse-Phoenix, LLC, and GiGi's

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2014 and 2013

NOTE 2 - Summary of Significant Accounting Policies (cont)

Playhouse-Westchester, LLC.

Cash and Cash Equivalents

The Organization considers cash on hand and all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

The Organization places its cash with a high quality credit institution. At times, such cash may be in excess of the Federal Depository Insurance Corporation insurance limit. The Organization routinely assesses the financial strength of its banking institution and, as a consequence, believes that its cash credit risk exposure is limited.

Certificates of Deposit

The Organization had investments in certificates of deposit at December 31, 2014 and 2013. Due to the short-term nature of these investments, there is not material exposure to changes in the fair value as a result of changes in interest rates and the certificates of deposit are therefore recorded at cost.

Inventories

Inventories are stated at the lower of cost or market. Cost is determined based upon the first-in-first-out method. Inventories are recorded for the Organization's stock of logo merchandise items such as t-shirts, sweatshirts and hats as well as calendars and are considered finished goods. These items are held for resale to provide additional fundraising for the Organization. If considered necessary, a provision for potentially obsolete or slow moving inventory would be estimated and recorded based on inventory levels and management's judgment. No such provision was recorded at December 31, 2014 or 2013.

Investments Securities

Investment securities are reported at fair value with unrealized gains or losses reported as a separate component of net assets, net of the related deferred income tax effect. Interest on debt securities is recognized in income as earned, and dividends on marketable equity securities are recognized in income when declared. Realized gains or losses when assets are sold are included in income.

Investments Valuation and Income Recognition

Investments are reported at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation includes the Organization's gains and losses on investments bought and sold as well as held during the year.

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2014 and 2013

NOTE 2 - Summary of Significant Accounting Policies (cont)

Pledges Receivable

Promises to give are shown net of discount to present value. Current pledges receivable are deemed to be collectible in one year or less and long-term pledges receivable are deemed to be collectible in one to five years.

Property and Equipment

Property and equipment are stated at cost, if purchased, or at estimated fair market value on the date received if donated, less accumulated depreciation. Major improvements and renewals are capitalized, while maintenance and repairs which do not improve or extend the life of the respective assets, are expensed currently. For financial reporting purposes, depreciation is computed using the straight-line method over the estimated useful lives of the assets as follows:

Equipment	3 - 7 years
Furniture and fixtures	5 - 15 years
Buildings and improvements	5 - 39 years

The Organization typically capitalizes purchases of property and equipment with a cost of over \$1,000.

Impairment of Long-Lived Assets

The Organization reviews long-lived assets, including property and equipment, for impairment whenever events or changes in business circumstances indicate that the carrying amount of an asset may not be fully recoverable. 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. To date, there have been no such losses.

Temporarily Restricted Funds

Grants and other contributions of cash and other assets are reported as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are received are classified as unrestricted contributions.

At December 31, 2014 and 2013, temporarily restricted funds were allocated based upon donor-imposed restrictions associated with certain grant agreements. These restricted funds will be released as unrestricted funds upon the occurrence of time or certain events being met.

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2014 and 2013

NOTE 2 - Summary of Significant Accounting Policies (cont)

Income Taxes

GiGi's Playhouse, Inc. and Subsidiaries, an Illinois not-for-profit corporation, is exempt from income tax under Section 501 (c)(3) of the U.S. Internal Revenue Code and applicable state law, except for taxes pertaining to unrelated business income, if any. The Organization has been classified as a publicly supported organization that is not a private foundation under Section 509 (a) of the Code. During the years ended December 31, 2014 and 2013, the Organization has no taxable unrelated business income.

The Organization has adopted the Accounting Standard on Accounting for Uncertainty in Income Taxes, which addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Examples of tax positions include the tax-exempt status of the Organization and the continued tax exempt status of various positions related to the potential sources of unrelated business taxable income (UBIT). At December 31, 2014 and 2013, there were no unrecognized tax benefits identified or recorded as liabilities.

Revenue Recognition

The Organization receives revenue from the sale of logo merchandise such as t-shirts, sweatshirts and hats as well as calendars. Revenue and the corresponding credit card or accounts receivable is recognized at the time the merchandise is sold.

GiGi's Playhouse, Inc. and Subsidiaries reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor 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. Donor-restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support.

Contributions

Contributions are generally available for unrestricted use in the related year unless specifically restricted by the donor.

Contributions of donated noncash assets are recorded at their estimated fair market values in the year received. Contributions of donated services that create or enhance nonfinancial assets or that require specialized skills, are provided by those individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the year received. Donated services recorded by the Organization during the years ended December 31, 2014 and 2013 include legal services provided by an attorney for general consultation, certain technical services for various special events, and services provided by a professional photographer and graphic designer in production of calendars available for sale during the year.

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2014 and 2013

NOTE 2 - Summary of Significant Accounting Policies (cont)

In-kind contributions income includes \$62,146 and \$199,055 of contributed services for the year ended December 31, 2014 and 2013, respectively.

Over 3,343 and 3,270 people volunteered at the various locations for the year ended December 31, 2014 and 2013, respectively. Community members volunteer as administrative assistants, advisors, event coordinators, teachers, etc. A dollar valuation of their effort is not reflected in the financial statements because it does not meet the criteria for recognition. The value of these services is not readily determinable.

Advertising

Advertising/marketing costs are charged to expense in the period incurred. During the years ended December 31, 2014 and 2013 advertising expense was \$50,517 and \$45,796, respectively.

Shipping and Handling Costs

Shipping and handling fees that are billed to customers are included in merchandise income. Shipping and handling costs incurred by the Organization are included in postage and delivery expenses.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles 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 that also affect revenues and expenses during the reporting period. Actual results could differ from those estimates. For example, in these financial statements, estimates are used for the value of donated goods and services, the allowance for doubtful accounts, and for the useful life of depreciable assets.

Recent Accounting Pronouncements

The FASB created a Not-for-Profit Advisory Committee to provide focused input and feedback to the FASB on the industry. This includes analysis of existing guidance, current and future issues and to assist the FASB Board in its communication of standards and guidance to the notforprofit sector. The projects on its agenda include:

- Review of not-for-profit financial statement presentation
- Research the other means of communication in which not-for-profits share their financial story with donors, creditors, and other stakeholders to determine if there are best practices the FASB should promote
- Accounting for government assistance

The Committee issued an exposure draft related to not-for-profit financial statement reporting during April 2015 and the comment period is open until August 2015.

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2014 and 2013

NOTE 2 - Summary of Significant Accounting Policies (cont)

In May 2014, FASB issued Accounting Standards Update 2014-09, "Revenue from Contracts with Customers (Topic 606)" ("ASU 2014-09"). ASU 2014-09 is a joint clarification project between the FASB and the International Accounting Standards Board ("IASB") and supersedes most of the current guidance regarding revenue recognition. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for the goods or services. Recognizing revenue follows a five step process. ASU 2014-09 also includes additional quantitative and qualitative disclosure requirements. Contributions and other public support are excluded from the scope of the new standard. Nonpublic companies will be required to apply ASU 2014-09 for reporting periods beginning after December 15, 2018.

The FASB has issued Accounting Standards Update No. 2013-06, "Not-for-Profit Entities: Services Received from Personnel of an Affiliate" ("ASU 2013-06"). The update applies to not-for-profit entities that receive services from personnel of an affiliate that directly benefits the not-for profit entity and the recipient organization is not charged. The new update requires the recipient entity to recognize contributed services regularly provided by employees of an affiliated organization at the cost for the related personnel's time. If that cost would over or understate the value received, the services should then be reflected at fair value. ASU No. 2013-06 is effective for fiscal years beginning after June 15, 2014. Early adoption is permitted.

Reclassification

For comparability, certain 2013 amounts have been reclassified to conform with classifications adopted in 2014. The reclassifications have no effect on reported amounts of net assets or change in net assets.

NOTE 3 - Investment Securities

During December 2013, the Organization received donated investment securities in the amount of \$20,385. These securities were held in a fund managed by a Board member and were sold during 2014. The invested funds amounted to \$45,244 at December 31, 2013.

Investment securities at December 31 were as follows:

	2014		2013	
	Cost	Fair Value	Cost	Fair Value
Available for sale securities:				
Equities	\$ -	\$ -	\$ 20,385	\$ 20,220
Fixed income	-	-	24,500	25,024
Subtotal	-	-	44,885	45,244
Certificates of deposit	100,000	100,000	60,000	60,000
Total	<u>\$ 100,000</u>	<u>\$ 100,000</u>	<u>\$ 104,885</u>	<u>\$ 105,244</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS As of and for the Years Ended December 31, 2014 and 2013

NOTE 3 - Investment Securities (cont)

The following schedule summarizes the investment return and its classification in the statement of activities for the years ended December 31:

	2014	2013
Interest income	\$ 1,196	\$ 1,793
Unrealized loss	-	(3,555)
Realized loss	(1)	(633)
	<u>\$ 1,195</u>	<u>\$ (2,395)</u>

NOTE 4 - Fair Value Measurements

As defined in the accounting standards, fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value hierarchy ranks the quality and reliability of the information used to determine fair values. Assets and liabilities measured, reported and/or disclosed at fair value will be classified and disclosed in one of the following three categories:

Level 1 - Inputs to the valuation methodology are unadjusted quoted market prices for identical assets in active markets that the Organization has the ability to access.

Level 2 - Observable market based inputs or inputs that are corroborated by market data. 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;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs that are unobservable and not corroborated by market data.

Transfers in and out of Level 1, Level 2, and Level 3 are recognized on the period beginning date. The asset's or liability's fair value measurement level within the fair value hierarchy is based on 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 Organization is invested in equity securities and fixed income securities where quoted market prices for identical securities are available in an active market. As such, these investments are classified within Level 1 of the valuation hierarchy.

There were no changes in the methodologies used at December 31, 2014 and 2013.

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 Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2014 and 2013

NOTE 4 - Fair Value Measurements (cont)

methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

	Assets at Fair Value at December 31, 2013			
	(Level 1)	(Level 2)	(Level 3)	Total
Equity securities	\$ 20,220	\$ -	\$ -	\$ 20,220
Fixed income securities	25,024	-	-	25,024
	<u>\$ 45,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45,244</u>

NOTE 5 - Deferred Revenue

During the year ended December 31, 2013, the Organization recorded temporarily restricted deferred revenue of \$24,138. These assets are considered deferred as they contain a certain time or purpose restriction that was not expired or met at December 31, 2013. During the year ended December 31, 2013, the Organization recorded unrestricted deferred revenue of \$31,005. The related assets are considered unrestricted as they consist of certain grant and contribution revenue to be used in general operational activities in the following year. Deferred revenue in total amounted to \$55,143 at December 31, 2013. No unrestricted or temporarily restricted deferred revenue was recorded at December 31, 2014.

NOTE 6 - Long-term Debt

On October 28, 2014, the Organization entered into a mortgage loan agreement with a revolving line of credit for \$400,000 with a bank for the purchase of a building in Des Moines. The note matures on October 28, 2019. The interest rate on this note was 4.25% at December 31, 2014. The principal and interest on the note shall be repaid in monthly installments of \$2,491 through September 28, 2019. A final installment of principal will be made on October 28, 2019 in the amount necessary to repay any unpaid principal loan balance at that time. Interest expense incurred for the year ended December 31, 2014 was \$2,877.

At December 31, 2014, the Company was not subject to any compliance requirements associated with restrictive financial covenants of its bank loan.

Annual maturities of long-term debt at December 31, 2014 are as follows:

2015	\$ 13,002
2016	13,526
2017	14,168
2018	14,791
2019	<u>276,215</u>
	<u>\$ 331,702</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2014 and 2013

NOTE 7 - Special Event Income

During the years ended December 31, 2014 and 2013, the Organization held various special events. The events included the I Have A Voice Gala, 5K Fun Run, a golf outing, fashion shows, bike rides, bingo, Awareness Walk and others.

NOTE 8 - Functional Allocation of Expenses

During the years ended December 31, 2014 and 2013, the Organization performs an allocation of functional expenses to the following categories: program services, management and general, and fundraising. The allocation is made based upon utilization of internal and external resources of the Organization.

NOTE 9 - Operating Leases

The Organization has noncancelable operating leases for buildings and office equipment. These leases expire at various dates through October 2023. Rental expense for the years ended December 31, 2014 and 2013 were \$584,942 and \$388,485, respectively.

At December 31, 2014, future minimum rental payments related to these leases are as follows:

2015	\$ 441,589
2016	368,745
2017	289,728
2018	169,062
2019	131,746
Thereafter	<u>378,946</u>
Total	<u>\$ 1,779,816</u>

NOTE 10 - Line of Credit

The Organization had a revolving line of credit agreement with a bank which expired during March 2014. The line of credit was renewed on March 19, 2014. The interest rate charged on the outstanding balance is prime plus one-half of one percent. The maximum amount available under the line-of-credit was \$250,000 and \$400,000 at December 31, 2014 and 2013, respectively. The note is collateralized by substantially all of the Organization's assets. There was no outstanding balance on the line-of-credit at December 31, 2014 and 2013.

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
As of and for the Years Ended December 31, 2014 and 2013

NOTE 11 - Subsequent Events

The Organization has evaluated events which occurred after the balance sheet date through the date the financial statements were available for issuance as of May 22, 2015.

On January 12, 2015, the Organization dissolved GiGi's Playhouse-Hoffman Estates, LLC (Illinois). The net assets of GiGi's Playhouse-Hoffman Estates, LLC (Illinois) were transferred at historical book values to Gigi's Playhouse, Inc. (Illinois) upon dissolution.

SUPPLEMENTAL INFORMATION

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES
CONSOLIDATING STATEMENT OF FINANCIAL POSITION
For the Year Ended December 31, 2014

	Gigi's Playhouse, Inc. (Illinois)	Gigi's Playhouse-Hoffman Estates, LLC (Illinois)	Gigi's Playhouse-Fox Valley, LLC (Illinois)	Gigi's Playhouse-Bradley, LLC (Illinois)	Gigi's Playhouse-Chicago, LLC (Illinois)	Gigi's Playhouse-McHenry, LLC (Illinois)	Gigi's Playhouse-Rockford, LLC (Illinois)	Gigi's Playhouse-Quad Cities, LLC (Illinois)
CURRENT ASSETS								
Cash	\$ 736,451	\$ 250	\$ 18,592	\$ 24,684	\$ 90,965	\$ 106,095	\$ 216,487	\$ 30,289
Certificates of deposit	-	-	-	-	-	-	-	-
Accounts receivable, net of allowance for doubtful accounts	7,252	-	-	-	-	-	3,300	67
Pledges receivable	-	-	-	-	-	-	-	-
Inventories	15,488	-	396	551	-	1,285	2,582	488
Due from (due to) related party	274,739	(167,128)	(3,880)	(1,005)	(5,531)	(5,936)	(3,115)	(6,356)
Prepaid expenses	20,307	-	450	976	-	1,059	5,483	205
Other current assets	-	424	-	-	-	500	198	-
Total Current Assets	<u>1,054,237</u>	<u>(166,454)</u>	<u>15,558</u>	<u>25,206</u>	<u>85,434</u>	<u>103,003</u>	<u>224,935</u>	<u>24,693</u>
PROPERTY AND EQUIPMENT								
Building	-	-	-	-	-	-	-	-
Furniture and equipment	228,783	23,960	38,023	4,359	-	12,357	51,383	12,804
Leasehold improvements	763,594	-	31,184	18,407	8,163	11,833	128,631	5,661
Total	992,377	23,960	69,207	22,766	8,163	24,190	180,014	18,465
Less: accumulated depreciation	115,946	21,525	37,677	2,105	1,845	11,266	41,210	5,417
Total property and equipment - net	<u>876,431</u>	<u>2,435</u>	<u>31,530</u>	<u>20,661</u>	<u>6,318</u>	<u>12,924</u>	<u>138,804</u>	<u>13,048</u>
OTHER ASSETS								
Deposits	23,260	-	-	-	1,880	1,800	-	1,917
Total Other Assets	<u>23,260</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,880</u>	<u>1,800</u>	<u>-</u>	<u>1,917</u>
TOTAL ASSETS	<u>\$ 1,953,928</u>	<u>\$ (164,019)</u>	<u>\$ 47,088</u>	<u>\$ 45,867</u>	<u>\$ 93,632</u>	<u>\$ 117,727</u>	<u>\$ 363,739</u>	<u>\$ 39,658</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED) For the Year Ended December 31, 2014

	Gigi's Playhouse, Inc. (Illinois)	Gigi's Playhouse- Hoffman Estates, LLC (Illinois)	Gigi's Playhouse- Fox Valley, LLC (Illinois)	Gigi's Playhouse- Bradley, LLC (Illinois)	Gigi's Playhouse- Chicago, LLC (Illinois)	Gigi's Playhouse- McHenry, LLC (Illinois)	Gigi's Playhouse- Rockford, LLC (Illinois)	Gigi's Playhouse- Quad Cities, LLC (Illinois)
CURRENT LIABILITIES								
Accounts payable	\$ 40,152	\$ -	\$ 1,071	\$ -	\$ -	\$ 4,818	\$ 1,664	\$ 656
Deferred revenue	-	-	-	682	-	-	-	-
Accrued payroll and payroll taxes	18,089	340	1,690	-	(208)	134	10,828	1,911
Deferred rent	39,807	-	-	-	-	-	-	-
Current maturities of long-term debt	-	-	-	-	-	-	-	-
Total Current Liabilities	<u>98,048</u>	<u>340</u>	<u>2,761</u>	<u>682</u>	<u>(208)</u>	<u>4,952</u>	<u>12,492</u>	<u>2,567</u>
LONG-TERM DEBT, NET OF CURRENT MATURITIES								
Total Liabilities	<u>98,048</u>	<u>340</u>	<u>2,761</u>	<u>682</u>	<u>(208)</u>	<u>4,952</u>	<u>12,492</u>	<u>2,567</u>
NET ASSETS								
Unrestricted	1,807,519	(164,359)	39,327	43,542	93,840	112,775	313,741	24,891
Temporarily restricted	48,361	-	5,000	1,643	-	-	37,506	12,200
Total Net Assets	<u>1,855,880</u>	<u>(164,359)</u>	<u>44,327</u>	<u>45,185</u>	<u>93,840</u>	<u>112,775</u>	<u>351,247</u>	<u>37,091</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,953,928</u>	<u>\$ (164,019)</u>	<u>\$ 47,088</u>	<u>\$ 45,867</u>	<u>\$ 93,632</u>	<u>\$ 117,727</u>	<u>\$ 363,739</u>	<u>\$ 39,658</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED) For the Year Ended December 31, 2014

	Gigi's Playhouse-Oak Forest, LLC (Illinois)	Gigi's Playhouse- Syracuse, LLC (New York)	Gigi's Playhouse-New York City, LLC (New York)	Gigi's Playhouse-Des Moines, LLC (Iowa)	Gigi's Playhouse-Sioux City, LLC (Iowa)	Gigi's Playhouse-Twin Cities, LLC (Minnesota)	Gigi's Playhouse- Atlanta, LLC (Georgia)	Gigi's Playhouse- Madison, LLC (Wisconsin)	Gigi's Playhouse- Nashville, LLC (Tennessee)
CURRENT ASSETS									
Cash	\$ 123,308	\$ 84,236	\$ 382,394	\$ 73,025	\$ 100,520	\$ 55,633	\$ 94,127	\$ 19,399	\$ 54,994
Certificates of deposit	-	-	-	-	100,000	-	-	-	-
Accounts receivables, net of allowance for doubtful accounts	-	-	-	-	-	-	13,000	-	-
Pledges receivable	-	-	16,625	-	-	-	5,000	-	-
Inventories	270	3,446	960	9,250	292	-	-	-	-
Due from (due to) related party	(11,130)	(3,413)	(8,801)	(3,333)	(5,421)	(5,600)	(4,225)	(932)	(3,526)
Prepaid expenses	4,963	1,500	6,398	12,945	-	10,750	5,250	-	4,215
Other current assets	5	-	-	30	-	2,386	1,040	-	-
Total Current Assets	<u>117,416</u>	<u>85,769</u>	<u>397,576</u>	<u>91,917</u>	<u>95,391</u>	<u>163,169</u>	<u>114,192</u>	<u>18,467</u>	<u>55,683</u>
PROPERTY AND EQUIPMENT									
Building	-	-	-	595,319	-	-	-	-	-
Furniture and equipment	1,981	28,452	3,894	101,817	11,922	20,731	-	-	41,109
Leasehold improvements	2,155	10,868	4,332	-	33,052	13,563	60,207	-	23,584
Total	4,136	39,320	8,226	697,136	44,974	34,294	60,207	-	64,693
Less: accumulated depreciation	-	-	-	-	-	-	-	-	-
Total property and equipment - net	<u>531</u>	<u>7,406</u>	<u>2,554</u>	<u>44,074</u>	<u>11,210</u>	<u>5,840</u>	<u>6,175</u>	<u>-</u>	<u>6,919</u>
OTHER ASSETS									
Deposits	2,850	1,500	-	2,000	-	4,304	3,633	-	3,310
Total Other Assets	<u>2,850</u>	<u>1,500</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>4,304</u>	<u>3,633</u>	<u>-</u>	<u>3,310</u>
TOTAL ASSETS	<u>\$ 123,871</u>	<u>\$ 119,183</u>	<u>\$ 403,248</u>	<u>\$ 746,979</u>	<u>\$ 129,155</u>	<u>\$ 195,927</u>	<u>\$ 171,857</u>	<u>\$ 18,467</u>	<u>\$ 116,767</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED) For the Year Ended December 31, 2014

	Gigi's Playhouse-Oak Forest, LLC (Illinois)	Gigi's Playhouse- Syracuse, LLC (New York)	Gigi's Playhouse-New York City, LLC (New York)	Gigi's Playhouse-Des Moines, LLC (Iowa)	Gigi's Playhouse-Sioux City, LLC (Iowa)	Gigi's Playhouse-Twin Cities, LLC (Minnesota)	Gigi's Playhouse- Atlanta, LLC (Georgia)	Gigi's Playhouse- Madison, LLC (Wisconsin)	Gigi's Playhouse- Nashville, LLC (Tennessee)
CURRENT LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ 37,226	\$ 127	\$ 380	\$ 691	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-	-	-	-
Accrued payroll and payroll taxes	1,307	-	(1,431)	6,524	6,358	1,832	-	-	2,283
Deferred rent	-	-	-	-	-	13,246	6,687	-	-
Current maturities of long-term debt	-	-	-	13,002	-	-	-	-	-
Total Current Liabilities	<u>1,307</u>	<u>-</u>	<u>(1,431)</u>	<u>56,752</u>	<u>6,485</u>	<u>15,458</u>	<u>7,378</u>	<u>-</u>	<u>2,283</u>
LONG-TERM DEBT, NET OF CURRENT MATURITIES									
Total Liabilities	<u>1,307</u>	<u>-</u>	<u>(1,431)</u>	<u>318,700</u>	<u>6,485</u>	<u>15,458</u>	<u>7,378</u>	<u>-</u>	<u>2,283</u>
NET ASSETS									
Unrestricted	122,564	116,533	389,679	325,887	117,170	167,829	164,479	18,467	97,484
Temporarily restricted	-	2,650	15,000	45,640	5,500	12,640	-	-	17,000
Total Net Assets	<u>122,564</u>	<u>119,183</u>	<u>404,679</u>	<u>371,527</u>	<u>122,670</u>	<u>180,469</u>	<u>164,479</u>	<u>18,467</u>	<u>114,484</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 123,871</u>	<u>\$ 119,183</u>	<u>\$ 403,248</u>	<u>\$ 746,979</u>	<u>\$ 129,155</u>	<u>\$ 195,927</u>	<u>\$ 171,857</u>	<u>\$ 18,467</u>	<u>\$ 116,767</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED) For the Year Ended December 31, 2014

	Gigi's Playhouse- Cedar Rapids, LLC (Iowa)	Gigi's Playhouse- Indianapolis, LLC (Indiana)	Gigi's Playhouse- Milwaukee, LLC (Wisconsin)	Gigi's Playhouse- El Paso, LLC (Texas)	Gigi's Playhouse- Hillsborough, LLC (New Jersey)	Gigi's Playhouse- Phoenix, LLC (Arizona)	Gigi's Playhouse- Westchester, LLC (New York)	Total
CURRENT ASSETS								
Cash	\$ 38,937	\$ 144,748	\$ 193,844	\$ -	\$ 48,243	\$ 22,068	\$ 76,831	\$ 2,736,120
Certificates of deposit	-	-	-	-	-	-	-	100,000
Accounts receivable, net of allowance for doubtful accounts	-	-	-	-	-	-	-	23,619
Pledges receivable	-	-	-	-	-	-	-	21,625
Inventories	1,356	-	-	-	-	-	-	36,364
Due from (due to) related party	(68,374)	(22,138)	(24,347)	22,569	5,496	38,379	13,008	-
Prepaid expenses	-	-	-	-	4,535	-	11,200	90,236
Other current assets	240	-	-	-	-	-	-	4,823
Total Current Assets	<u>(27,841)</u>	<u>122,610</u>	<u>169,497</u>	<u>22,569</u>	<u>58,274</u>	<u>60,447</u>	<u>101,039</u>	<u>3,012,787</u>
PROPERTY AND EQUIPMENT								
Building	-	-	-	-	-	-	-	595,319
Furniture and equipment	3,639	1,746	3,715	-	3,054	-	-	593,729
Leasehold improvements	4,887	23,165	3,280	-	714	1,981	-	1,149,261
Total	8,526	24,911	6,995	-	3,768	1,981	-	2,338,309
Less: accumulated depreciation	278	49	23	-	-	-	-	322,050
Total property and equipment - net	<u>8,248</u>	<u>24,862</u>	<u>6,972</u>	<u>-</u>	<u>3,768</u>	<u>1,981</u>	<u>-</u>	<u>2,016,259</u>
OTHER ASSETS								
Deposits	190	25,440	-	-	1,604	2,848	-	76,536
Total Other Assets	<u>190</u>	<u>25,440</u>	<u>-</u>	<u>-</u>	<u>1,604</u>	<u>2,848</u>	<u>-</u>	<u>76,536</u>
TOTAL ASSETS	<u>\$ (19,403)</u>	<u>\$ 172,912</u>	<u>\$ 176,469</u>	<u>\$ 22,569</u>	<u>\$ 63,646</u>	<u>\$ 65,276</u>	<u>\$ 101,039</u>	<u>\$ 5,105,582</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED) For the Year Ended December 31, 2014

	Gigi's Playhouse- Cedar Rapids, LLC (Iowa)	Gigi's Playhouse- Indianapolis, LLC (Indiana)	Gigi's Playhouse- Milwaukee, LLC (Wisconsin)	Gigi's Playhouse- El Paso, LLC (Texas)	Gigi's Playhouse- Hillsborough, LLC (New Jersey)	Gigi's Playhouse- Phoenix, LLC (Arizona)	Gigi's Playhouse- Westchester, LLC (New York)	Total
CURRENT LIABILITIES								
Accounts payable	\$ 235	\$ 771	\$ -	\$ -	\$ -	\$ -	\$ 1,500	\$ 89,291
Deferred revenue	-	-	-	-	-	-	-	-
Accrued payroll and payroll taxes	-	-	-	-	153	-	-	50,492
Deferred rent	-	7,093	-	-	-	-	-	66,833
Current maturities of long-term debt	-	-	-	-	-	-	-	13,002
Total Current Liabilities	235	7,864	-	-	153	-	1,500	219,618
LONG-TERM DEBT, NET OF CURRENT MATURITIES								
Total Liabilities	235	7,864	-	-	153	-	1,500	318,700
NET ASSETS								
Unrestricted	(19,638)	165,048	94,749	22,569	63,493	53,267	99,539	4,270,395
Temporarily restricted	-	-	81,720	-	-	12,009	-	296,869
Total Net Assets	(19,638)	165,048	176,469	22,569	63,493	65,276	99,539	4,567,264
TOTAL LIABILITIES AND NET ASSETS	\$ (19,403)	\$ 172,912	\$ 176,469	\$ 22,569	\$ 63,646	\$ 65,276	\$ 101,039	\$ 5,105,582

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION For the Year Ended December 31, 2013

	Gigi's Playhouse, Inc. (Illinois)	Gigi's Playhouse- Hoffman Estates, LLC (Illinois)	Gigi's Playhouse-Fox Valley, LLC (Illinois)	Gigi's Playhouse- Bradley, LLC (Illinois)	Gigi's Playhouse- Chicago, LLC (Illinois)	Gigi's Playhouse- McHenry, LLC (Illinois)	Gigi's Playhouse- Rockford, LLC (Illinois)	Gigi's Playhouse- Quad Cities, LLC (Illinois)	Gigi's Playhouse-Oak Forest, LLC (Illinois)
CURRENT ASSETS									
Cash	\$ 314,436	\$ 18,878	\$ 33,493	\$ 33,326	\$ 57,583	\$ 66,919	\$ 189,420	\$ 25,418	\$ 72,825
Certificates of deposit	-	-	-	-	-	-	-	-	-
Accounts receivable, net of allowance for doubtful accounts	54	14	-	-	-	161	735	26	-
Pledges receivable	176,663	-	-	-	-	-	600	-	-
Investment securities	45,244	-	-	-	-	-	-	-	-
Inventories	15,606	-	898	1,424	-	690	2,832	-	11,918
Deposits	-	-	-	-	1,880	-	-	-	-
Due from (due to) related party	168,409	(85,482)	(2,348)	(4,849)	(8,909)	(2,107)	(5,123)	(6,820)	-
Prepaid expenses	2,606	424	470	825	-	1,280	3,710	600	1,300
Total Current Assets	<u>723,018</u>	<u>(66,180)</u>	<u>32,527</u>	<u>30,726</u>	<u>50,554</u>	<u>66,943</u>	<u>192,174</u>	<u>19,224</u>	<u>86,043</u>
PROPERTY AND EQUIPMENT									
Furniture and equipment	181,441	22,438	36,136	2,100	-	12,357	49,613	12,394	1,981
Leasehold improvements	747,969	-	31,184	18,407	8,163	11,833	128,631	5,661	2,155
Total	929,410	22,438	67,320	20,507	8,163	24,190	178,244	18,055	4,136
Less: accumulated depreciation	59,170	20,219	33,317	1,030	1,087	9,570	29,675	3,285	80
Total property and equipment - net	<u>870,240</u>	<u>2,219</u>	<u>34,003</u>	<u>19,477</u>	<u>7,076</u>	<u>14,620</u>	<u>148,569</u>	<u>14,770</u>	<u>4,056</u>
OTHER ASSETS									
Pledges receivable	-	-	-	-	-	-	-	-	-
Deposits	20,678	-	-	-	-	1,800	-	-	-
Total Other Assets	<u>20,678</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>-</u>	<u>-</u>	<u>-</u>
TOTAL ASSETS	<u>\$ 1,613,936</u>	<u>\$ (63,961)</u>	<u>\$ 66,530</u>	<u>\$ 50,203</u>	<u>\$ 57,630</u>	<u>\$ 83,363</u>	<u>\$ 340,743</u>	<u>\$ 33,994</u>	<u>\$ 90,099</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED) For the Year Ended December 31, 2013

	Gigi's Playhouse, Inc. (Illinois)	Gigi's Playhouse- Hoffman Estates, LLC (Illinois)	Gigi's Playhouse-Fox Valley, LLC (Illinois)	Gigi's Playhouse- Bradley, LLC (Illinois)	Gigi's Playhouse- Chicago, LLC (Illinois)	Gigi's Playhouse- McHenry, LLC (Illinois)	Gigi's Playhouse- Rockford, LLC (Illinois)	Gigi's Playhouse- Quad Cities, LLC (Illinois)	Gigi's Playhouse-Oak Forest, LLC (Illinois)
CURRENT LIABILITIES									
Accounts payable	\$ 124,045	\$ 379	\$ 1,678	\$ 602	\$ -	\$ 1,632	\$ 1,730	\$ 829	\$ 8,054
Deferred revenue	11,229	-	-	3,843	-	-	12,696	-	-
Accrued payroll and payroll taxes	36,542	-	2,387	246	1,287	1,167	4,425	854	1,314
Total Current Liabilities	<u>171,816</u>	<u>379</u>	<u>4,065</u>	<u>4,691</u>	<u>1,287</u>	<u>2,799</u>	<u>18,851</u>	<u>1,683</u>	<u>9,368</u>
NET ASSETS									
Unrestricted	1,442,120	(64,340)	62,465	45,512	56,343	80,564	321,892	32,311	80,731
Total Net Assets	<u>1,442,120</u>	<u>(64,340)</u>	<u>62,465</u>	<u>45,512</u>	<u>56,343</u>	<u>80,564</u>	<u>321,892</u>	<u>32,311</u>	<u>80,731</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,613,936</u>	<u>\$ (63,961)</u>	<u>\$ 66,530</u>	<u>\$ 50,203</u>	<u>\$ 57,630</u>	<u>\$ 83,363</u>	<u>\$ 340,743</u>	<u>\$ 33,994</u>	<u>\$ 90,099</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED) For the Year Ended December 31, 2013

	Gigi's Playhouse- Syracuse, LLC (New York)	Gigi's Playhouse-New York City, LLC (New York)	Gigi's Playhouse-Des Moines, LLC (Iowa)	Gigi's Playhouse- Sioux City, LLC (Iowa)	Gigi's Playhouse-Twin Cities, LLC (Minnesota)	Gigi's Playhouse- Atlanta, LLC (Georgia)	Gigi's Playhouse- Madison, LLC (Wisconsin)	Gigi's Playhouse- Nashville, LLC (Tennessee)	Total
CURRENT ASSETS									
Cash	\$ 95,386	\$ 320,658	\$ 161,693	\$ 47,317	\$ 53,885	\$ 117,679	\$ 6,760	\$ 35,990	\$ 1,651,666
Certificates of deposit	-	-	-	-	60,000	-	-	-	60,000
Accounts receivable, net of allowance for doubtful accounts	-	-	-	-	-	-	-	-	990
Pledges receivable	2,160	58,021	-	10,586	-	12,500	-	3,337	263,867
Investment securities	-	-	-	-	-	-	-	-	45,244
Inventories	-	930	2,951	354	-	-	-	-	37,603
Deposits	-	-	-	-	-	-	-	-	1,880
Due from (due to) related party	(15,157)	(14,248)	(2,354)	(3,958)	(393)	(15,020)	-	(1,641)	-
Prepaid expenses	1,500	6,000	11,282	-	5,364	5,001	-	-	40,362
Total Current Assets	<u>83,889</u>	<u>371,361</u>	<u>173,572</u>	<u>54,299</u>	<u>118,856</u>	<u>120,160</u>	<u>6,760</u>	<u>37,686</u>	<u>2,101,612</u>
PROPERTY AND EQUIPMENT									
Furniture and equipment	12,972	3,099	75,961	11,922	15,650	-	-	33,844	471,908
Leasehold improvements	9,068	4,332	-	30,588	10,528	58,663	-	23,584	1,090,766
Total	<u>22,040</u>	<u>7,431</u>	<u>75,961</u>	<u>42,510</u>	<u>26,178</u>	<u>58,663</u>	<u>-</u>	<u>57,428</u>	<u>1,562,674</u>
Less: accumulated depreciation	1,489	589	23,218	8,453	2,569	3,088	-	925	197,764
Total property and equipment - net	<u>20,551</u>	<u>6,842</u>	<u>52,743</u>	<u>34,057</u>	<u>23,609</u>	<u>55,575</u>	<u>-</u>	<u>56,503</u>	<u>1,364,910</u>
OTHER ASSETS									
Pledges receivable	-	23,500	-	-	-	-	-	-	23,500
Deposits	1,500	-	2,000	-	4,305	3,633	-	3,310	37,226
Total Other Assets	<u>1,500</u>	<u>23,500</u>	<u>2,000</u>	<u>-</u>	<u>4,305</u>	<u>3,633</u>	<u>-</u>	<u>3,310</u>	<u>60,726</u>
TOTAL ASSETS	<u>\$ 105,940</u>	<u>\$ 401,703</u>	<u>\$ 228,315</u>	<u>\$ 88,356</u>	<u>\$ 146,770</u>	<u>\$ 179,368</u>	<u>\$ 6,760</u>	<u>\$ 97,499</u>	<u>\$ 3,527,248</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FINANCIAL POSITION (CONTINUED) For the Year Ended December 31, 2013

	Gigi's Playhouse- Syracuse, LLC (New York)	Gigi's Playhouse-New York City, LLC (New York)	Gigi's Playhouse-Des Moines, LLC (Iowa)	Gigi's Playhouse- Sioux City, LLC (Iowa)	Gigi's Playhouse-Twin Cities, LLC (Minnesota)	Gigi's Playhouse- Atlanta, LLC (Georgia)	Gigi's Playhouse- Madison, LLC (Wisconsin)	Gigi's Playhouse- Nashville, LLC (Tennessee)	Total
CURRENT LIABILITIES									
Accounts payable	\$ 1,279	\$ 236	\$ -	\$ 73	\$ 3,565	\$ -	\$ -	\$ -	\$ 144,102
Deferred revenue	-	-	14,600	800	11,975	-	-	-	55,143
Accrued payroll and payroll taxes	-	1,174	2,886	863	1,491	670	-	1,767	57,073
Total Current Liabilities	<u>1,279</u>	<u>1,410</u>	<u>17,486</u>	<u>1,736</u>	<u>17,031</u>	<u>670</u>	<u>-</u>	<u>1,767</u>	<u>256,318</u>
NET ASSETS									
Unrestricted	104,661	400,293	210,829	86,620	129,739	178,698	6,760	95,732	3,270,930
Total Net Assets	<u>104,661</u>	<u>400,293</u>	<u>210,829</u>	<u>86,620</u>	<u>129,739</u>	<u>178,698</u>	<u>6,760</u>	<u>95,732</u>	<u>3,270,930</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 105,940</u>	<u>\$ 401,703</u>	<u>\$ 228,315</u>	<u>\$ 88,356</u>	<u>\$ 146,770</u>	<u>\$ 179,368</u>	<u>\$ 6,760</u>	<u>\$ 97,499</u>	<u>\$ 3,527,248</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES

For the Year Ended December 31, 2014

	Gigi's Playhouse, Inc. (Illinois)	Gigi's Playhouse-Hoffman Estates, LLC (Illinois)	Gigi's Playhouse-Fox Valley, LLC (Illinois)	Gigi's Playhouse-Bradley, LLC (Illinois)	Gigi's Playhouse-Chicago, LLC (Illinois)	Gigi's Playhouse-McHenry, LLC (Illinois)	Gigi's Playhouse-Rockford, LLC (Illinois)	Gigi's Playhouse-Quad Cities, LLC (Illinois)
INCOME								
Contributions	\$ 604,023	\$ 8,663	\$ 31,984	\$ 15,480	\$ 74,666	\$ 25,680	\$ 66,294	\$ 45,655
Grants	47,375	-	17,500	6,336	-	10,000	32,920	2,500
Merchandise income	155,063	-	537	5,322	303	19,131	1,402	572
In-kind contributions	40,818	1,850	1,442	3,543	-	1,250	10,184	2,216
Special events	1,112,895	300	10,547	84,669	-	186,938	175,271	114,199
Intercompany national support revenue	177,633	31,674	8,774	-	48,213	13,678	-	-
Interest income	8	-	11	-	-	-	170	28
Total Income and Contributions	2,137,815	42,487	70,795	115,350	123,182	256,677	286,241	165,170
EXPENSES								
Bad debt expense	\$ 82	\$ -	\$ -	\$ 25	\$ -	\$ -	\$ -	\$ 71
Computer and software expenses	30,912	565	711	74	4,021	1,710	1,350	2,223
Conference fees	47,669	-	35	746	-	20	1,002	-
Cost of goods sold	57,360	-	881	7,357	-	4,359	1,486	182
Depreciation	56,776	1,307	4,360	1,075	758	1,696	11,535	2,131
Dues and subscriptions	344	165	750	-	-	180	560	300
Entertainment	3,552	75	65	-	300	579	-	-
Equipment and equipment rental	7,603	1,810	1,584	2,228	2,704	4,384	1,450	769
Filing fees	2,288	550	56	265	50	15	265	-
Food and beverage	8,441	324	1,777	2,331	509	3,160	2,542	-
Fundraising expense	359,537	550	2,493	47,714	3,364	139,854	77,944	47,783
Insurance	9,265	525	1,070	171	792	1,209	897	913
Realized loss on investment securities	1	-	-	-	-	-	-	-
Loss on disposal of property and equipment	-	-	-	-	-	-	-	-
Maintenance	4,872	1,200	1,200	600	1,200	900	733	150
Intercompany national support expense	3,802	3,167	6,080	5,927	6,647	11,129	15,907	10,372
Marketing	29,947	-	225	38	-	75	509	-
Miscellaneous expense	7,181	58	443	(248)	1,048	849	1,323	229
Office supplies	20,415	1,372	1,541	4,713	1,630	553	3,568	1,270
Payroll expense	593,039	-	17,487	15,691	22,596	29,244	71,338	49,474
Payroll tax expense	68,648	135	1,310	1,010	1,341	3,834	5,683	4,118
Postage and delivery	14,420	436	149	572	516	580	2,204	132
Printing and reproduction	19,562	2,224	-	1,516	-	90	7,390	135

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

For the Year Ended December 31, 2014

	Gigi's Playhouse, Inc. (Illinois)	Gigi's Playhouse-Hoffman Estates, LLC (Illinois)	Gigi's Playhouse-Fox Valley, LLC (Illinois)	Gigi's Playhouse-Bradley, LLC (Illinois)	Gigi's Playhouse-Chicago, LLC (Illinois)	Gigi's Playhouse-McHenry, LLC (Illinois)	Gigi's Playhouse-Rockford, LLC (Illinois)	Gigi's Playhouse-Quad Cities, LLC (Illinois)
EXPENSES (Continued)								
Professional fees	220,857	57,737	4,328	743	7,477	2,931	13,487	4,110
Program expenses	9,012	3,434	520	3,988	965	1,406	10,265	4,036
Rent	91,310	54,944	31,200	18,010	24,830	12,338	19,200	26,083
Service fees	13,553	(150)	249	881	476	43	401	2,856
Travel	25,393	-	418	-	434	243	418	1,018
Utilities	18,214	12,078	10,001	250	4,027	3,085	5,429	2,035
Total Expenses	<u>1,724,055</u>	<u>142,506</u>	<u>88,933</u>	<u>115,677</u>	<u>85,685</u>	<u>224,466</u>	<u>256,886</u>	<u>160,390</u>
Change in Net Assets	413,760	(100,019)	(18,138)	(327)	37,497	32,211	29,355	4,780
Net Assets, Beginning of Year	1,442,120	(64,340)	62,465	45,512	56,343	80,564	321,892	32,311
Net Assets, End of Year	<u>\$ 1,855,880</u>	<u>\$ (164,359)</u>	<u>\$ 44,327</u>	<u>\$ 45,185</u>	<u>\$ 93,840</u>	<u>\$ 112,775</u>	<u>\$ 351,247</u>	<u>\$ 37,091</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED) For the Year Ended December 31, 2014

	Gigi's Playhouse-Oak Forest, LLC (Illinois)	Gigi's Playhouse- Syracuse, LLC (New York)	Gigi's Playhouse-New York City, LLC (New York)	Gigi's Playhouse-Des Moines, LLC (Iowa)	Gigi's Playhouse- Sioux City, LLC (Iowa)	Gigi's Playhouse-Twin Cities, LLC (Minnesota)	Gigi's Playhouse- Atlanta, LLC (Georgia)	Gigi's Playhouse- Madison, LLC (Wisconsin)	Gigi's Playhouse- Nashville, LLC (Tennessee)
INCOME									
Contributions	\$ 27,283	\$ 26,360	\$ 84,231	\$ 87,712	\$ 30,944	\$ 52,980	\$ 51,094	\$ 31,824	\$ 86,846
Grants	-	-	5,000	97,250	7,500	9,470	-	-	-
Merchandise income	215	2,283	55	3,642	172	528	36	8	139
In-kind contributions	-	-	5,859	38,253	4,547	300	1,040	-	5,771
Special events	145,428	129,411	149,441	236,567	115,611	253,428	187,790	26,515	117,994
Intercompany national support revenue	-	-	-	-	-	-	-	-	-
Interest income	-	144	492	169	-	160	-	12	-
Total Income and Contributions	172,926	158,198	245,078	463,593	158,774	316,866	239,960	58,359	210,750
EXPENSES									
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,000	\$ -	\$ -
Computer and software expenses	1,145	225	2,752	-	150	1,219	593	-	263
Conference fees	-	2,739	25	713	200	2,353	7,515	312	730
Cost of goods sold	-	3,580	2,086	2,637	312	500	-	-	-
Depreciation	451	5,916	1,171	20,856	2,756	3,271	1,544	-	5,995
Dues and subscriptions	100	75	-	30	280	-	52	-	150
Entertainment	-	-	-	697	-	178	1,129	-	96
Equipment and equipment rental	2,929	1,856	-	1,616	-	288	-	1,685	818
Filing fees	725	418	528	759	250	291	560	507	1,272
Food and beverage	483	170	1,966	1,844	789	2,574	703	-	28
Fundraising expense	37,763	57,031	59,699	98,978	55,175	75,891	75,257	10,168	64,347
Insurance	542	1,792	3,511	1,081	599	839	266	164	1,192
Realized loss on investment securities	-	-	-	-	-	-	-	-	-
Loss on disposal of property and equipment	-	-	-	-	-	-	-	-	-
Maintenance	2,083	1,200	600	1,426	1,200	2,003	1,405	500	1,535
Intercompany national support expense	-	-	-	-	-	-	-	-	-
Marketing	13,516	12,742	7,212	28,080	9,324	22,114	21,476	5,166	12,988
Miscellaneous expense	6,154	2,786	1,685	866	454	883	770	-	-
Office supplies	-	523	8,869	4,865	50	278	1,206	-	1,144
Payroll expense	491	1,503	6,022	5,047	6,074	3,202	5,436	148	5,054
Payroll tax expense	45,000	22,045	85,310	41,368	12,323	42,633	57,852	-	30,718
Postage and delivery	3,443	-	6,526	3,657	943	4,347	6,148	-	2,370
Printing and reproduction	89	1,235	1,748	540	414	1,351	237	5	772
	5,948	507	331	2,252	79	4,235	47	-	285

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED) For the Year Ended December 31, 2014

	Gigi's Playhouse-Oak Forest, LLC (Illinois)	Gigi's Playhouse- Syracuse, LLC (New York)	Gigi's Playhouse-New York City, LLC (New York)	Gigi's Playhouse-Des Moines, LLC (Iowa)	Gigi's Playhouse- Sioux City, LLC (Iowa)	Gigi's Playhouse-Twin Cities, LLC (Minnesota)	Gigi's Playhouse- Atlanta, LLC (Georgia)	Gigi's Playhouse- Madison, LLC (Wisconsin)	Gigi's Playhouse- Nashville, LLC (Tennessee)
EXPENSES (Continued)									
Professional fees	-	463	340	5,067	450	1,071	47	27,254	483
Program expenses	2,960	4,281	6,527	39,767	2,252	13,538	3,453	-	3,464
Rent	3,416	18,000	35,300	29,000	24,635	65,687	53,080	84	46,962
Service fees	1,472	1,360	3,634	406	198	3,054	906	453	247
Travel	-	108	1,946	3,595	1,780	1,851	731	206	2,896
Utilities	2,383	3,121	2,904	7,748	2,037	12,485	8,766	-	8,189
Total Expenses	<u>131,093</u>	<u>143,676</u>	<u>240,692</u>	<u>302,895</u>	<u>122,724</u>	<u>266,136</u>	<u>254,179</u>	<u>46,652</u>	<u>191,998</u>
Change in Net Assets	41,833	14,522	4,386	160,698	36,050	50,730	(14,219)	11,707	18,752
Net Assets, Beginning of Year	<u>80,731</u>	<u>104,661</u>	<u>400,293</u>	<u>210,829</u>	<u>86,620</u>	<u>129,739</u>	<u>178,698</u>	<u>6,760</u>	<u>95,732</u>
Net Assets, End of Year	<u>\$ 122,564</u>	<u>\$ 119,183</u>	<u>\$ 404,679</u>	<u>\$ 371,527</u>	<u>\$ 122,670</u>	<u>\$ 180,469</u>	<u>\$ 164,479</u>	<u>\$ 18,467</u>	<u>\$ 114,484</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED) For the Year Ended December 31, 2014

	Gigi's Playhouse- Cedar Rapids, LLC (Iowa)	Gigi's Playhouse- Indianapolis, LLC (Indiana)	Gigi's Playhouse- Milwaukee, LLC (Wisconsin)	Gigi's Playhouse- El Paso, LLC (Texas)	Gigi's Playhouse- Hillsborough, LLC (New Jersey)	Gigi's Playhouse- Phoenix, LLC (Arizona)	Gigi's Playhouse- Westchester, LLC (New York)	Eliminations	Total
INCOME									
Contributions	\$ 15,522	\$ 113,204	\$ 124,755	\$ 2,880	\$ 82,348	\$ 57,339	\$ 73,379	\$ -	\$ 1,821,146
Grants	-	-	25,000	-	-	-	-	-	260,851
Merchandise income	997	-	20	60	1,442	-	-	-	191,927
In-kind contributions	200	400	-	-	-	2,012	-	-	119,685
Special events	-	147,955	120,421	31,873	7,339	54,199	59,941	-	3,468,732
Intercompany national support revenue	-	-	-	-	-	-	-	(279,972)	-
Interest income	-	-	-	-	2	-	-	-	1,196
Total Income and Contributions	16,719	261,559	270,196	34,813	91,131	113,550	133,320	(279,972)	5,863,537
EXPENSES									
Bad debt expense	-	-	-	-	-	-	-	-	5,178
Computer and software expenses	-	-	-	150	21	-	-	-	48,084
Conference fees	2,113	-	378	-	580	-	-	-	67,130
Cost of goods sold	958	-	-	-	1,554	-	-	-	83,252
Depreciation	278	49	23	-	-	-	-	-	121,948
Dues and subscriptions	-	-	-	-	-	-	-	-	2,986
Entertainment	-	11	13	-	-	-	-	-	6,695
Equipment and equipment rental	188	-	104	-	25	-	-	-	32,041
Filing fees	50	507	1,012	551	575	500	515	-	12,509
Food and beverage	288	-	-	-	-	-	-	-	27,929
Fundraising expense	366	54,411	38,679	6,001	1,787	24,439	12,225	-	1,351,456
Insurance	97	397	-	-	14	-	28	-	25,364
Realized loss on investment securities	-	-	-	-	-	-	-	-	1
Loss on disposal of property and equipment	-	-	-	-	-	-	-	-	-
Maintenance	1,200	1,200	1,200	1,200	900	1,200	900	-	30,607
Intercompany national support expense	7,998	20,771	23,351	4,032	8,779	8,943	10,449	(279,972)	-
Marketing	2,700	(22)	252	(165)	1,425	998	937	-	50,517
Miscellaneous expense	169	-	680	-	-	-	-	-	28,667
Office supplies	2,471	406	-	-	265	192	40	-	71,413
Payroll expense	8,049	5,657	10,529	-	-	599	-	-	1,160,952
Payroll tax expense	616	2,315	1,324	-	-	-	-	-	117,768
Postage and delivery	180	28	189	238	270	158	206	-	26,669

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED) For the Year Ended December 31, 2014

	Gigi's Playhouse- Cedar Rapids, LLC (Iowa)	Gigi's Playhouse- Indianapolis, LLC (Indiana)	Gigi's Playhouse- Milwaukee, LLC (Wisconsin)	Gigi's Playhouse-El Paso, LLC (Texas)	Gigi's Playhouse- Hillsborough, LLC (New Jersey)	Gigi's Playhouse- Phoenix, LLC (Arizona)	Gigi's Playhouse- Westchester, LLC (New York)	Eliminations	Total
EXPENSES (Continued)									
Printing and reproduction	-	69	772	-	432	76	348	-	46,298
Professional fees	461	983	5,032	-	5,000	5,011	5,680	-	369,012
Program expenses	237	-	-	175	151	195	148	-	110,774
Rent	6,036	7,093	8,800	-	4,752	4,182	-	-	584,942
Service fees	262	2,098	967	62	296	1,767	2,305	-	37,796
Travel	-	538	422	-	699	-	-	-	42,696
Utilities	1,640	-	-	-	127	-	-	-	104,519
Total Expenses	<u>36,357</u>	<u>96,511</u>	<u>93,727</u>	<u>12,244</u>	<u>27,638</u>	<u>48,274</u>	<u>33,781</u>	<u>(279,972)</u>	<u>4,567,203</u>
Change in Net Assets	(19,638)	165,048	176,469	22,569	63,493	65,276	99,539	-	1,296,334
Net Assets, Beginning of Year	-	-	-	-	-	-	-	-	3,270,930
Net Assets, End of Year	<u>\$ (19,638)</u>	<u>\$ 165,048</u>	<u>\$ 176,469</u>	<u>\$ 22,569</u>	<u>\$ 63,493</u>	<u>\$ 65,276</u>	<u>\$ 99,539</u>	<u>\$ -</u>	<u>\$ 4,567,264</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES For the Year Ended December 31, 2013

	Gigi's Playhouse, Inc. (Illinois)	Gigi's Playhouse- Hoffman Estates, LLC (Illinois)	Gigi's Playhouse-Fox Valley, LLC (Illinois)	Gigi's Playhouse- Bradley, LLC (Illinois)	Gigi's Playhouse- Chicago, LLC (Illinois)	Gigi's Playhouse- McHenry, LLC (Illinois)	Gigi's Playhouse- Rockford, LLC (Illinois)	Gigi's Playhouse- Quad Cities, LLC (Illinois)	Gigi's Playhouse-Oak Forest, LLC (Illinois)
INCOME									
Contributions	\$ 1,050,534	\$ 73,144	\$ 46,395	\$ 7,921	\$ 31,711	\$ 46,032	\$ 33,449	\$ 17,577	\$ 93,280
Grants	378,842	2,500	5,000	5,162	-	9,500	8,287	-	-
Merchandise income	68,494	248	744	5,393	1,115	13,142	4,282	176	1,654
In-kind contributions	85,412	11,206	3,398	250	-	35	8,201	-	-
Special events	718,501	37,115	12,006	42,959	47,774	132,667	163,801	87,508	9,490
Interest income	891	17	-	-	-	-	110	39	-
Total income	2,302,674	124,213	67,560	61,685	80,600	201,376	218,130	105,300	104,424
EXPENSES									
Bad debt expense	\$ 7,731	-	\$ 1,413	\$ 572	\$ 572	\$ 2,888	\$ 1,372	\$ 106	\$ 1,384
Computer and software expenses	37,656	78	-	-	-	-	450	199	-
Conference fees	53,619	98	552	6,413	811	1,235	5,366	-	1,858
Cost of goods sold	30,302	1,730	4,778	752	758	1,948	11,121	2,132	80
Depreciation	601	141	300	-	-	110	468	568	80
Dues and subscriptions	160	-	302	282	26	316	-	-	-
Entertainment	11,281	1,548	501	2,032	771	4,290	3,772	-	5,107
Equipment and equipment rental	3,372	504	250	384	480	828	277	-	665
Filing fees	5,822	1,924	8,098	2,237	114	2,130	2,470	-	-
Food and beverage	239,973	83	6,205	12,836	3,750	103,727	72,392	30,030	250
Fundraising expense	4,494	1,091	1,278	694	725	1,027	1,110	946	32
Insurance	554	-	-	-	-	-	-	-	-
Realized loss on investment securities	24,575	17,330	-	-	-	-	-	-	-
Loss on disposal of property and equipment	34,022	1,404	-	-	-	-	-	-	-
Maintenance	41,864	-	127	453	-	240	696	100	300
Marketing	(210)	71	86	1,102	659	1,064	450	-	542
Miscellaneous expense	7,413	2,161	264	311	1,696	560	3,243	194	927
Office supplies	400,890	27,297	18,565	12,000	18,975	51,019	49,656	1,316	22,500
Payroll expense	52,087	2,660	1,422	1,043	3,379	3,891	3,787	30,000	1,721
Payroll tax expense	8,040	114	51	115	508	224	2,804	2,515	120
Postage and delivery	7,831	1,247	431	1,118	335	423	4,908	20	2,340
Printing and reproduction	-	-	-	-	-	-	-	-	-

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED) For the Year Ended December 31, 2013

	Gigi's Playhouse, Inc. (Illinois)	Gigi's Playhouse- Hoffman Estates, LLC (Illinois)	Gigi's Playhouse-Fox Valley, LLC (Illinois)	Gigi's Playhouse- Bradley, LLC (Illinois)	Gigi's Playhouse- Chicago, LLC (Illinois)	Gigi's Playhouse- McHenry, LLC (Illinois)	Gigi's Playhouse- Rockford, LLC (Illinois)	Gigi's Playhouse- Quad Cities, LLC (Illinois)	Gigi's Playhouse-Oak Forest, LLC (Illinois)
EXPENSES (Continued)									
Professional fees	172,018	1,343	2,752	470	1,125	2,594	19,283	2,395	519
Program expenses	10,500	3,012	56	6,043	2,577	1,024	9,543	4,862	628
Rent	18,755	50,543	31,200	20,243	22,430	11,625	19,200	28,000	408
Service fees	11,087	254	441	153	546	5,742	241	2,630	50
Travel	24,985	20	-	112	-	1,046	770	572	-
Unrealized loss on investment securities	3,555	-	-	-	-	-	-	-	-
Utilities	1,793	8,764	8,055	-	2,992	3,043	5,761	2,160	1,663
Total Expenses	<u>1,214,770</u>	<u>123,417</u>	<u>87,127</u>	<u>69,365</u>	<u>63,229</u>	<u>200,994</u>	<u>223,143</u>	<u>110,426</u>	<u>41,174</u>
Change in Net Assets	1,087,904	796	(19,567)	(7,680)	17,371	382	(5,013)	(5,126)	63,250
Net Assets, Beginning of Year	<u>354,216</u>	<u>(65,136)</u>	<u>82,032</u>	<u>53,192</u>	<u>38,972</u>	<u>80,182</u>	<u>326,905</u>	<u>37,437</u>	<u>17,481</u>
Net Assets, End of Year	<u>\$ 1,442,120</u>	<u>\$ (64,340)</u>	<u>\$ 62,465</u>	<u>\$ 45,512</u>	<u>\$ 56,343</u>	<u>\$ 80,564</u>	<u>\$ 321,892</u>	<u>\$ 32,311</u>	<u>\$ 80,731</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED) For the Year Ended December 31, 2013

	Gigi's Playhouse- Syracuse, LLC (New York)	Gigi's Playhouse-New York City, LLC (New York)	Gigi's Playhouse-Des Moines, LLC (Iowa)	Gigi's Playhouse- Sioux City, LLC (Iowa)	Gigi's Playhouse-Twin Cities, LLC (Minnesota)	Gigi's Playhouse- Atlanta, LLC (Georgia)	Gigi's Playhouse- Madison, LLC (Wisconsin)	Gigi's Playhouse- Nashville, LLC (Tennessee)	Total
INCOME									
Contributions	\$ 1,096	\$ 90,787	\$ -	\$ 14,073	\$ 32,707	\$ 37,925	\$ 19,000	\$ 31,810	\$ 1,627,441
Grants	22,980	30,000	22,911	-	450	200	-	-	485,832
Merchandise income	475	484	1,467	450	6,683	153	-	855	105,815
In-kind contributions	8,013	28,694	121,538	2,479	8,046	-	-	72,562	349,834
Special events	108,365	58,275	216,627	78,740	204,519	183,457	2,474	66,441	2,170,719
Interest income	49	445	167	-	75	-	-	-	1,793
Total Income and Contributions	140,978	208,685	362,710	95,742	252,480	221,735	21,474	171,668	4,741,434
EXPENSES									
Bad debt expense	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 106
Computer and software expenses	1,136	1,556	-	1,850	1,196	1,572	-	900	25,812
Conference fees	2,339	1,528	2,197	-	2,651	4,162	444	2,409	54,113
Cost of goods sold	1,837	558	-	763	4,470	-	-	-	77,580
Depreciation	1,489	505	16,759	2,853	2,560	1,544	-	925	80,236
Dues and subscriptions	75	54	-	260	469	525	-	-	3,651
Entertainment	-	-	625	-	-	231	-	-	1,942
Equipment and equipment rental	919	-	1,236	383	10,243	-	-	1,605	43,688
Filing fees	382	632	354	590	288	498	853	1,313	11,670
Food and beverage	269	2,721	2,945	396	647	832	-	97	30,702
Fundraising expense	29,503	38,632	70,466	39,290	76,254	62,508	2,133	28,461	816,693
Insurance	1,536	1,612	976	807	1,365	1,436	-	414	19,543
Realized loss on investment securities	-	-	-	-	-	79	-	-	633
Loss on disposal of property and equipment	-	-	-	-	-	-	-	-	41,905
Maintenance	-	-	-	-	1,183	-	-	321	38,026
Marketing	636	210	1,274	-	-	-	-	-	45,796
Miscellaneous expense	909	7,317	116	-	(54)	1,941	-	-	16,438
Office supplies	1,246	3,735	1,078	1,204	4,723	4,875	10	3,784	39,306
Payroll expense	15,728	55,000	25,103	8,421	31,010	40,000	-	8,145	814,309
Payroll tax expense	-	4,207	2,229	644	3,532	1,030	-	726	84,873
Postage and delivery	2,609	320	518	861	617	258	-	28	17,207
Printing and reproduction	579	249	408	-	2,374	521	-	224	22,999
Professional fees	1,500	286	1,080	1,414	1,937	350	10,753	605	220,424
Program expenses	2,367	11,274	132,189	450	12,188	2,423	-	20,689	219,825

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF ACTIVITIES (CONTINUED)

For the Year Ended December 31, 2013

	Gigi's Playhouse- Syracuse, LLC (New York)	Gigi's Playhouse-New York City, LLC (New York)	Gigi's Playhouse-Des Moines, LLC (Iowa)	Gigi's Playhouse- Sioux City, LLC (Iowa)	Gigi's Playhouse-Twin Cities, LLC (Minnesota)	Gigi's Playhouse- Atlanta, LLC (Georgia)	Gigi's Playhouse- Madison, LLC (Wisconsin)	Gigi's Playhouse- Nashville, LLC (Tennessee)	Total
EXPENSES (Continued)									
Rent	18,000	30,000	24,000	20,600	37,931	49,551	-	5,999	388,485
Service fees	1,688	764	2,851	151	4,263	483	(2)	300	31,642
Travel	-	2,702	788	1,798	580	639	523	953	35,488
Unrealized loss on investment securities	-	-	-	-	-	-	-	-	3,555
Utilities	1,284	3,038	4,774	1,327	11,246	6,733	-	1,803	64,436
Total Expenses	<u>86,031</u>	<u>167,100</u>	<u>291,966</u>	<u>84,062</u>	<u>211,673</u>	<u>182,191</u>	<u>14,714</u>	<u>79,701</u>	<u>3,251,083</u>
Change in Net Assets	54,947	41,585	70,744	11,680	40,807	39,544	6,760	91,967	1,490,351
Net Assets, Beginning of Year	<u>49,714</u>	<u>358,708</u>	<u>140,085</u>	<u>74,940</u>	<u>88,932</u>	<u>139,154</u>	<u>-</u>	<u>3,765</u>	<u>1,780,579</u>
Net Assets, End of Year	<u>\$ 104,661</u>	<u>\$ 400,293</u>	<u>\$ 210,829</u>	<u>\$ 86,620</u>	<u>\$ 129,739</u>	<u>\$ 178,698</u>	<u>\$ 6,760</u>	<u>\$ 95,732</u>	<u>\$ 3,270,930</u>

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - YEAR ENDED For the Year Ended December 31, 2014

	Gigi's Playhouse, Inc.				Subsidiaries			
	Program	General and Administrative	Fundraising	Total	Program	General and Administrative	Fundraising	Total
EXPENSES								
Bad debt expense	82	-	-	82	25	71	5,000	5,096
Computer and software expenses	28,138	1,335	1,439	30,912	12,978	3,727	467	17,172
Conference fees	46,818	851	-	47,669	14,637	4,717	107	19,461
Cost of goods sold	35,091	224	22,045	57,360	13,771	-	12,121	25,892
Depreciation	51,322	2,727	2,727	56,776	59,547	5,625	-	65,172
Dues and subscriptions	269	-	75	344	2,442	200	-	2,642
Entertainment	3,418	-	134	3,552	3,090	13	40	3,143
Equipment and equipment rental	7,044	277	282	7,603	21,729	2,074	635	24,438
Filing fees	1,267	1,021	-	2,288	5,982	4,183	56	10,221
Food and beverage	8,214	210	17	8,441	19,125	239	124	19,488
Fundraising expense	(147)	-	359,684	359,537	25,631	-	966,288	991,919
Insurance	4,321	4,944	-	9,265	8,976	6,898	225	16,099
Realized loss (gain) on investment securities	-	1	-	1	-	-	-	-
Maintenance	1,955	2,917	-	4,872	17,899	3,236	4,600	25,735
Intercompany national support expense	3,802	-	-	3,802	(3,802)	-	-	(3,802)
Marketing	23,294	5,261	1,392	29,947	17,768	3,050	(248)	20,570
Miscellaneous expense	6,701	450	30	7,181	17,223	4,251	12	21,486
Office supplies	19,970	303	142	20,415	43,725	6,653	620	50,998
Payroll expense	394,413	64,818	133,808	593,039	488,782	52,843	26,288	567,913
Payroll tax expense	47,484	6,321	14,843	68,648	37,898	8,896	2,326	49,120
Postage and delivery	13,059	1,055	306	14,420	8,996	1,190	2,063	12,249
Printing and reproduction	18,174	392	996	19,562	23,657	1,400	1,679	26,736
Professional fees	164,649	12,442	43,766	220,857	126,804	10,761	10,590	148,155
Program expenses	8,358	395	259	9,012	101,633	-	129	101,762
Rent	86,945	2,272	2,093	91,310	413,563	71,372	8,697	493,632
Service fees	13,330	208	15	13,553	12,053	3,290	8,900	24,243
Travel	20,571	3,430	1,392	25,393	16,545	476	282	17,303
Utilities	14,251	1,034	2,929	18,214	70,785	13,836	1,684	86,305
Total Expenses	\$ 1,022,793	\$ 112,888	\$ 588,374	\$ 1,724,055	\$ 1,581,462	\$ 209,001	\$ 1,052,685	\$ 2,843,148

GIGI'S PLAYHOUSE, INC. AND SUBSIDIARIES

CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES - YEAR ENDED (CONTINUED)
For the Year Ended December 31, 2014

	Grand Total			
	Program	General and Administrative	Fundraising	Total
EXPENSES				
Bad debt expense	107	71	5,000	\$ 5,178
Computer and software expenses	41,116	5,062	1,906	48,084
Conference fees	61,455	5,568	107	67,130
Cost of goods sold	48,862	224	34,166	83,252
Depreciation	110,869	8,352	2,727	121,948
Dues and subscriptions	2,711	200	75	2,986
Entertainment	6,508	13	174	6,695
Equipment and equipment rental	28,773	2,351	917	32,041
Filing fees	7,249	5,204	56	12,509
Food and beverage	27,339	449	141	27,929
Fundraising expense	25,484	-	1,325,972	1,351,456
Insurance	13,297	11,842	225	25,364
Realized loss (gain) on investment securities	-	1	-	1
Loss on disposal of property and equipment	-	-	-	-
Maintenance	19,854	6,153	4,600	30,607
Intercompany national support expense	-	-	-	-
Marketing	41,062	8,311	1,144	50,517
Miscellaneous expense	23,924	4,701	42	28,667
Office supplies	63,695	6,956	762	71,413
Payroll expense	883,195	117,661	160,096	1,160,952
Payroll tax expense	85,382	15,217	17,169	117,768
Postage and delivery	22,055	2,245	2,369	26,669
Printing and reproduction	41,831	1,792	2,675	46,298
Professional fees	291,453	23,203	54,356	369,012
Program expenses	109,991	395	388	110,774
Rent	500,508	73,644	10,790	584,942
Service fees	25,383	3,498	8,915	37,796
Travel	37,116	3,906	1,674	42,696
Utilities	85,036	14,870	4,613	104,519
Total Expenses	<u>\$ 2,604,255</u>	<u>\$ 321,889</u>	<u>\$ 1,641,059</u>	<u>\$ 4,567,203</u>