

**THE VIRGINIA THURSTON HEALING GARDEN, INC.**  
**FINANCIAL STATEMENTS**  
**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

**THE VIRGINIA THURSTON HEALING GARDEN, INC.**

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## INDEPENDENT AUDITORS' REPORT

To the Board of Trustees  
The Virginia Thurston Healing Garden, Inc.  
Harvard, MA

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of The Virginia Thurston Healing Garden, Inc. (a nonprofit organization), which comprises the statements of financial position as of June 30, 2014 and 2013, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Virginia Thurston Healing Garden, Inc. as of June 30, 2014 and 2013, and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

***Robert C. Alario, Certified Public Accountants, P.C.***

Leominster, MA  
August 1, 2014

**THE VIRGINIA THURSTON HEALING GARDEN, INC.  
STATEMENTS OF FINANCIAL POSITION  
JUNE 30, 2014 AND 2013**

**ASSETS**

	<u>2014</u>	<u>2013</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 63,176	\$ 51,886
Contributions Receivable	24,053	-
Other Receivables	1,213	1,780
Total Current Assets	<u>88,442</u>	<u>53,666</u>
PROPERTY AND EQUIPMENT, NET	946,528	931,789
CONSTRUCTION IN PROGRESS	<u>-</u>	<u>23,925</u>
<b>TOTAL ASSETS</b>	<u><u>\$1,034,970</u></u>	<u><u>\$ 1,009,380</u></u>

**LIABILITIES AND NET ASSETS**

**CURRENT LIABILITIES**

Line of Credit	\$ 120,698	\$ 120,620
Accounts Payable	2,976	3,563
Accrued Expenses	9,917	7,259
Total Current Liabilities	<u>133,591</u>	<u>131,442</u>

**NET ASSETS**

Unrestricted Net Assets	864,151	855,933
Temporarily Restricted Net Assets	37,228	22,005
Total Net Assets	<u>901,379</u>	<u>877,938</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$1,034,970</u></u>	<u><u>\$ 1,009,380</u></u>

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

**THE VIRGINIA THURSTON HEALING GARDEN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2014 Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contributions	\$ 279,050	\$ 68,898	\$ 347,948
Special Events, Net	20,234	-	20,234
Program Income	6,464	-	6,464
Memberships and Dues	970	-	970
Rental Income	1,233	-	1,233
Miscellaneous Income	722	-	722
Net Assets Released from Restrictions	53,675	(53,675)	-
	<u>362,348</u>	<u>15,223</u>	<u>377,571</u>
<b>EXPENSES</b>			
Program Services	179,978	-	179,978
Management and General	102,735	-	102,735
Fundraising	71,417	-	71,417
	<u>354,130</u>	<u>-</u>	<u>354,130</u>
<b>CHANGE IN NET ASSETS</b>	8,218	15,223	23,441
<b>NET ASSETS, BEGINNING OF YEAR</b>	855,933	22,005	877,938
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 864,151</u>	<u>\$ 37,228</u>	<u>\$ 901,379</u>

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

**THE VIRGINIA THURSTON HEALING GARDEN  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>2013 Total</u>
<b>PUBLIC SUPPORT AND REVENUE</b>			
Contributions	\$ 240,379	\$ 22,859	\$ 263,238
Special Events, Net	5,722	-	5,722
Program Income	6,375	-	6,375
Memberships and Dues	1,520	-	1,520
Rental Income	476	-	476
Miscellaneous Income	1,352	-	1,352
Net Assets Released from Restrictions	31,577	(31,577)	-
	<u>287,401</u>	<u>(8,718)</u>	<u>278,683</u>
<b>EXPENSES</b>			
Program Services	172,040	-	172,040
Management and General	71,760	-	71,760
Fundraising	46,233	-	46,233
	<u>290,033</u>	<u>-</u>	<u>290,033</u>
<b>CHANGE IN NET ASSETS</b>	(2,632)	(8,718)	(11,350)
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>858,565</u>	<u>30,723</u>	<u>889,288</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 855,933</u>	<u>\$ 22,005</u>	<u>\$ 877,938</u>

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

**THE VIRGINIA THURSTON HEALING GARDEN, INC.**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED JUNE 30, 2014 AND 2013**

	<u>2014</u>	<u>2013</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ 23,441	\$ (11,350)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	36,344	31,668
Non-Cash Contribution of Property and Equipment	(11,924)	(6,607)
Changes in Operating Assets and Liabilities:		
Contributions Receivable	(24,053)	5,000
Other Receivables	567	455
Prepaid Expenses	-	2,416
Accounts Payable	(587)	865
Accrued Expenses	<u>2,658</u>	<u>4,979</u>
<b>Net Cash Provided By Operating Activities</b>	<u>26,446</u>	<u>27,426</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Additions to Property and Equipment	(15,234)	-
Increase in Construction in Progress	<u>-</u>	<u>(11,375)</u>
<b>Net Cash Used In Investing Activities</b>	<u>(15,234)</u>	<u>(11,375)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Net Advances on Line of Credit	<u>78</u>	<u>620</u>
<b>Net Cash Provided By Financing Activities</b>	<u>78</u>	<u>620</u>
<b>NET INCREASE IN CASH</b>	11,290	16,671
<b>CASH AT BEGINNING OF YEAR</b>	<u>51,886</u>	<u>35,215</u>
<b>CASH AT END OF YEAR</b>	<u>\$ 63,176</u>	<u>\$ 51,886</u>
<b>SUPPLEMENTAL CASH FLOWS INFORMATION:</b>		
Cash paid for interest	<u>\$ 7,029</u>	<u>\$ 6,533</u>

See Independent Auditors' Report and Accompanying Notes to Financial Statements.



**THE VIRGINIA THURSTON HEALING GARDEN, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2014**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2014 Total</u>
Salaries and Related Expenses	\$ 100,381	\$ 74,777	\$ 40,260	\$ 215,418
Depreciation	30,893	3,634	1,817	36,344
Professional Fees	16,581	8,350	-	24,931
Occupancy	17,412	2,048	1,024	20,484
Printing and Postage	7,120	-	9,498	16,618
Consulting	-	-	13,563	13,563
Office Expenses	3,071	4,997	615	8,683
Interest Expense	-	7,029	-	7,029
Internet and Website	2,038	-	2,037	4,075
Insurance	1,096	1,464	334	2,894
Telephone	1,386	232	693	2,311
Bank Charges	-	204	1,576	1,780
	<hr/>	<hr/>	<hr/>	<hr/>
Total	<u>\$ 179,978</u>	<u>\$ 102,735</u>	<u>\$ 71,417</u>	<u>\$ 354,130</u>

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

**THE VIRGINIA THURSTON HEALING GARDEN, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED JUNE 30, 2013**

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>2013 Total</u>
Salaries and Related Expenses	\$ 84,846	\$ 43,454	\$ 29,675	\$ 157,975
Depreciation	26,918	3,167	1,583	31,668
Professional Fees	20,857	8,099	-	28,956
Occupancy	21,946	2,582	1,291	25,819
Office Expenses	6,181	6,348	560	13,089
Printing and Postage	993	-	7,852	8,845
Interest Expense	-	6,533	-	6,533
Internet and Website	2,450	-	2,449	4,899
Supplies	4,379	-	(8)	4,371
Insurance	1,625	1,269	416	3,310
Telephone	1,336	223	668	2,227
Marketing and Advertising	455	-	834	1,289
Bank Charges	-	85	913	998
Travel	54	-	-	54
	<u>54</u>	<u>-</u>	<u>-</u>	<u>54</u>
<b>Total</b>	<b><u>\$ 172,040</u></b>	<b><u>\$ 71,760</u></b>	<b><u>\$ 46,233</u></b>	<b><u>\$ 290,033</u></b>

See Independent Auditors' Report and Accompanying Notes to Financial Statements.

**THE VIRGINIA THURSTON HEALING GARDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**

**Note 1 – Nature of Activities and Not-for-Profit Status:**

The Virginia Thurston Healing Garden, Inc. (the Organization) is a Massachusetts not-for-profit corporation dedicated to providing integrative cancer care through therapeutic services, educational programs, and a healing environment for all people with a cancer diagnosis, as well as providing wellness education and support to promote cancer prevention for the community at large.

The Organization is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. Donors may deduct contributions made to the Organization within the requirements of the Internal Revenue Code.

The Organization has a team of cancer care therapists who provide various treatments on-site. Fees are paid directly to the therapists so these amounts are not reflected in the financial statements. Therapists provided \$62,568 and \$52,802 in services on-site during the years ended June 30, 2014 and 2013, respectively. Individual therapy sessions are based on a sliding fee scale. If a client is unable to pay the therapist the lowest fee, the Organization pays the therapist using Fund a Need restricted net assets. During the years ended June 30, 2014 and 2013, the Organization paid therapists \$4,933 and \$4,667 using Fund a Need temporarily restricted net assets.

Programs are provided to clients for free or for a low cost. The fee amounts received from clients for programs are generally equal to the agreed upon stipends the Organization pays to the program facilitators. Support groups are free to clients of the Organization and the facilitators are paid a small stipend using restricted net assets. During the years ended June 30, 2014 and 2013, the Organization paid \$6,250 and \$1,650 to support group facilitators using Gable Foundation temporarily restricted net assets.

**Note 2 – Summary of Significant Accounting Policies:**

This summary of significant accounting policies is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management who is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

**Financial Statement Presentation**

Financial statement presentation follows the recommendations of the Financial Accounting Standards Boards in its Accounting Standards for *Financial Statements of Not-For-Profit Organizations*. Under these standards, 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.

THE VIRGINIA THURSTON HEALING GARDEN, INC.  
NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2014 AND 2013

**Note 2 – Summary of Significant Accounting Policies (Con't):**

Unrestricted - Net assets that are not subject to donor-imposed restrictions.

Temporarily Restricted - Net assets that are subject to donor-imposed restrictions which can be satisfied by expenditure for a specific purpose or by the passage of time.

Permanently Restricted - Net assets that are subject to donor-imposed restrictions that require the principal to be invested in perpetuity. The income from these assets is included as unrestricted, temporarily restricted or permanently restricted revenues according to the gift instruments.

Contributions

Contributions, including unconditional promises to give, are recognized as revenues in the period received. Contributions subject to donor-imposed stipulations that are met in the same reporting period are reported as unrestricted support. Unconditional promises to give with due dates scheduled after the balance sheet date are shown as increases in temporarily restricted net assets and are reclassified to unrestricted net assets when the related purpose or time restrictions are met. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions of assets other than cash are recorded at their estimated fair value at the date of gift.

Cash Equivalents

For financial statement purposes, the Organization considers all highly liquid instruments with a maturity of three months or less when purchased to be cash equivalents.

Property and Equipment

Additions to property and equipment are recorded at cost, or if donated, at the estimated fair market value at the date of the donation. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets.

Generally, additions and improvements in excess of \$2,500 and expenditures that materially prolong the useful lives of assets are capitalized to property and equipment, while expenditures for maintenance and repairs are charged to expense as incurred. Upon disposal of depreciable property, the appropriate property accounts are reduced by the related costs and accumulated depreciation. The resulting gains and losses are reflected in the statement of activities as increases or decreases in unrestricted net assets.

**THE VIRGINIA THURSTON HEALING GARDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**

**Note 2 – Summary of Significant Accounting Policies (Con't):**

**Construction in Progress**

Property and Equipment under construction represent Construction in Progress (CIP). They remain in such an account until the assets are put in service, at which time the costs of the assets are transferred into respective property and equipment accounts.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**Donated Goods and Services**

The Organization records certain types of in-kind support, including professional services, as contribution revenue. Contributed professional services are recognized if the services received create or enhance long-lived assets, or require specialized skills, are provided by individual possessing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying financial statements as in-kind support are offset by like amounts included in expenses, or property and equipment, if capitalized.

The Organization receives a substantial amount of services donated by volunteers in the furtherance of the Organization's programs. No amounts have been reflected in the financial statements for those services since they do not meet the criteria for recognition under FASB's Accounting Standard *Accounting for Contributions Received and Contributions Made*.

**Functional Allocation of Expenses**

The costs of providing the various programs and other activities of the Organization have been summarized on a functional basis in the statement of functional expenses. Accordingly, certain costs are allocated among the program and support services benefited.

**Advertising**

Advertising and marketing costs, which are principally included in fundraising expenses, are expensed as incurred.

**THE VIRGINIA THURSTON HEALING GARDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**

**Note 2 – Summary of Significant Accounting Policies (Con't):**

**Accounting for Uncertain Tax Positions**

The Organization's open tax audit periods are 2011-2013. Management has performed its evaluation of all income tax positions taken on all open income tax returns and has determined that there were no positions taken that do not meet the "more likely than not" standard. Accordingly, there are no provisions for income taxes, penalties or interest receivable or payable relating to uncertain income tax provisions in the accompanying financial statements.

**Note 3 – Contributions Receivable:**

Contributions Receivable consists of:

Unconditional promises scheduled to be received in:

	<u>2014</u>	<u>2013</u>
Less than one year	<u>\$ 24,053</u>	<u>\$ -</u>

**Note 4 – Property and Equipment:**

Property and Equipment consists of:

	<u>2014</u>	<u>2013</u>
Land	\$ 140,000	\$ 140,000
Buildings and Improvements	988,832	947,473
Furniture and Equipment	<u>67,405</u>	<u>57,682</u>
	1,196,237	1,145,154
Less: Accumulated Depreciation	<u>249,709</u>	<u>213,365</u>
Property and Equipment , Net	<u>\$ 946,528</u>	<u>\$ 931,789</u>

**Note 5 - Line of Credit:**

The Organization has a line of credit from a bank to a maximum amount of \$250,000 with interest payable monthly at the bank's prime lending rate plus 1% (4.5% at June 30, 2014). The line of credit is secured by all of the assets of the Organization and is payable on demand. The balance as of June 30, 2014 and 2013 was \$120,698 and \$120,620, respectively.

**THE VIRGINIA THURSTON HEALING GARDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**

**Note 6 – Temporarily Restricted Net Assets:**

Temporarily Restricted Net Assets consists of:

	<u>2014</u>	<u>2013</u>
<b><u>Contributions with Purpose Restrictions</u></b>		
Angel Donor	\$ 15,022	\$ -
Daymarc/Fieldstone	5,043	3,430
Driveway Paving Fund	1,750	-
Garden Funds	1,000	2,447
Gable Foundation	2,100	3,350
Fund a Need	7,375	1,357
Cohen Fund	-	1,421
Bruce J. Anderson Foundation	4,938	2,500
Middlesex Savings Charitable Foundation	-	7,500
	<u>\$ 37,228</u>	<u>\$ 22,005</u>

**Note 7 – Pension Plan:**

The Organization maintains a defined contribution 403(b) plan covering all of its employees who meet certain age and service requirements. Employer contributions to the Plan are at the discretion of and determined by the Board of Directors, and none were made for the years ended June 30, 2014 and 2013. In addition, participants can elect to contribute a percentage of their compensation not to exceed the maximum allowed under the Internal Revenue Code.

**Note 8 - Concentration of Risk:**

**Cash**

The Organization maintains cash balances at one financial institution. At times, such amounts may exceed Federal Deposit Insurance Corporation (FDIC) insurance limits. Generally, these deposits may be redeemed upon demand. Management believes the related credit risk is minimal.

**Significant Revenue**

The Organization received approximately 29% and 36% of its income for the years ended June 30, 2014 and 2013, respectively, from the Just Cause Walk sponsored by Bolton Walkers, Inc. In addition, approximately 16% of total support and revenue was received from another donor during the year ended June 30, 2014.

**THE VIRGINIA THURSTON HEALING GARDEN, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2014 AND 2013**

**Note 9 - In-Kind Contributions:**

For the year ended June 30, 2014, included in contributions income in the accompanying statement of activities is \$14,424 of in-kind contributions, of which \$2,500 has been charged to expense and \$11,924 has been included in capital assets.

For the year ended June 30, 2013, included in contributions income in the accompanying statement of activities is \$16,731 of in-kind contributions, of which \$10,124 has been charged to expense and \$6,607 has been included in capital assets.

**Note 10 - Date of Management's Review:**

Subsequent events have been evaluated through August 1, 2014, which is the date the financial statements were available to be issued.

**Note 11 - Reclassifications:**

Certain reclassifications were made to prior year balances to conform to current year presentation with no effect on previously reported net assets or change in net assets.