

**MAKE-A-WISH FOUNDATION®
OF CENTRAL CALIFORNIA**

Financial Statements

August 31, 2014

(With Independent Auditors' Report Thereon)

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA

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Independent Auditors' Report

Board of Directors
Make-A-Wish Foundation of Central California
Fresno, California

Report on the Financial Statements

We have audited the accompanying financial statements of Make-A-Wish Foundation of Central California (the Foundation), which comprise the statement of financial position as of August 31, 2014, and the related statements of activities, cash flows and functional expenses for the year 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Make-A-Wish Foundation of Central California as of August 31, 2014, and the results of its operations and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis-of-matter

As noted in Note 13, certain errors were identified which resulted in a restatement of beginning pending wish liability, and unrestricted and temporarily restricted net assets. Accordingly, adjustments have been made to properly reflect beginning net assets.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
April 21, 2015

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA

Statement of Financial Position

August 31, 2014

Assets	2014
Cash and cash equivalents	\$ 1,745,700
Investments	132,535
Due from related entities	20,492
Prepaid expenses	21,902
Contributions receivable	15,827
Property and equipment, net	20,060
Total assets	<u>\$ 1,956,516</u>
Liabilities and Net Assets	
Accounts payable and accrued expenses	\$ 62,932
Accrued pending wish costs	696,432
Due to related entities	6,584
Total liabilities	<u>765,948</u>
Net assets	
Unrestricted	1,153,561
Temporarily restricted	37,007
Total net assets	<u>1,190,568</u>
Total liabilities and net assets	<u>\$ 1,956,516</u>

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA

Statement of Activities

Year ended August 31, 2014

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Revenues, gains, and other support:			
Public support:			
Contributions	\$ 1,632,548	15,827	1,648,375
Grants	39,640	—	39,640
Total public support	<u>1,672,188</u>	<u>15,827</u>	<u>1,688,015</u>
Internal Special events	520,125	21,180	541,305
Less costs of direct benefits to donors	(108,383)	—	(108,383)
Total special events	<u>411,742</u>	<u>21,180</u>	<u>432,922</u>
Investment income, net	7,575	—	7,575
Other income	1,210	—	1,210
Net assets released from restrictions	26,081	(26,081)	—
Total revenues, gains, and other support	<u>2,118,796</u>	<u>10,926</u>	<u>2,129,722</u>
Expenses:			
Program services:			
Wish granting	1,342,559	—	1,342,559
Total program services	<u>1,342,559</u>	<u>—</u>	<u>1,342,559</u>
Support services:			
Fundraising	223,004	—	223,004
Management and general	95,311	—	95,311
Total support services	<u>318,315</u>	<u>—</u>	<u>318,315</u>
Total program and support services expenses	<u>1,660,874</u>	<u>—</u>	<u>1,660,874</u>
Total expenses and losses	<u>1,660,874</u>	<u>—</u>	<u>1,660,874</u>
Change in net assets	457,922	10,926	468,848
Net assets, beginning of the year, as previously reported	818,713	—	818,713
Restatement	(123,074)	26,081	(96,993)
Net assets, beginning of the year, as restated	<u>695,639</u>	<u>26,081</u>	<u>721,720</u>
Net assets, end of the year	\$ <u>1,153,561</u>	<u>37,007</u>	<u>1,190,568</u>

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA

Statement of Cash Flows

Year ended August 31, 2014

	<u>2014</u>
Cash flows from operating activities:	
Change in net assets	\$ 468,848
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	7,119
Net realized and unrealized gains on investments	(625)
Contributed property and equipment	(1,998)
Changes in assets and liabilities:	
Contributions receivable	40,475
Due from related entities	(9,966)
Prepaid expenses	(9,006)
Accounts payable and accrued expenses	24,337
Accrued pending wish costs	97,429
Due to related entities	1,880
Net cash provided by operating activities	<u>618,493</u>
Cash flows from investing activities:	
Purchases of investments	(72,938)
Proceeds from sales of investments	8,279
Purchases of property and equipment	(1,001)
Net cash used by investing activities	<u>(65,660)</u>
Net increase in cash and cash equivalents	552,833
Cash and cash equivalents, beginning of year	<u>1,192,867</u>
Cash and cash equivalents, end of year	<u>\$ 1,745,700</u>
Supplemental cash flow information:	
Donated property and equipment, stock, and inventory	\$ 5,201

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA

Statement of Functional Expenses

Year ended August 31, 2014

	Program services	Support services		Total
	Wish granting	Fundraising	Management and general	
Direct costs of wishes	\$ 1,053,177	—	—	1,053,177
Salaries, taxes, and benefits	178,363	110,958	65,446	354,767
Printing, subscriptions, and publications	1,412	19,745	73	21,230
Professional fees	15,616	25,228	5,092	45,936
Rent and utilities	17,200	9,607	5,525	32,332
Postage and delivery	2,442	13,753	788	16,983
Travel	3,308	5,988	1,209	10,505
Meetings and conferences	1,696	3,317	1,234	6,247
Office supplies	6,877	14,981	3,018	24,876
Communications	5,669	3,347	1,867	10,883
Repairs and maintenance	4,112	2,750	1,610	8,472
Insurance	2,484	1,390	808	4,682
National partnership dues	36,973	5,214	5,214	47,401
Miscellaneous	9,456	4,612	2,196	16,264
Depreciation and amortization	3,774	2,114	1,231	7,119
	\$ 1,342,559	223,004	95,311	1,660,874
				318,315

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA

Statements of Financial Position

August 31, 2014

(1) Organization

Make-A-Wish Foundation® of Central California (the Foundation) is a California not-for-profit corporation, organized for the purpose of granting wishes to children with life-threatening medical conditions. The Foundation is an independently operating chapter of Make-A-Wish Foundation of America (National Organization), which operates to develop and implement national programs in public relations and fundraising for the benefit of all local chapters. In addition, the local chapter is obligated to comply with a chapter agreement with the National Organization and such guidelines, resolutions, and policies as may be adopted by the National Organization's board of directors.

(2) Summary of Significant Accounting Policies

(a) *Basis of Presentation*

The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP).

(b) *Cash and Cash Equivalents*

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Included in cash and cash equivalents at August 31, 2014 is \$645 of money market mutual funds.

(c) *Investments*

Investments are recorded at fair value. Investment income, including gains and losses on investments, is recorded as increases or decreases in unrestricted net assets unless its use is limited by donor-imposed restrictions or law.

(d) *Contributions Receivable*

Contributions receivable are unconditional promises to give. Such promises that are expected to be collected within one year are recorded at expected net realizable value when the promise is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Contributions receivable are discounted using fair value rates. Contributions are written off when deemed uncollectible.

(e) *Property and Equipment, Net*

Property and equipment having a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Property and equipment under capital leases are stated at the present value of future minimum lease payments at the time of acquisition. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 15 years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the lease(s). The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA

Statements of Financial Position

August 31, 2014

(e) *Property and Equipment, Net (Continued)*

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances indicate a long-lived asset may be impaired, the asset value will be reduced to fair value. Fair value is determined through various valuation techniques including quoted market values and third-party independent appraisals, as considered necessary.

(f) *Fair Value Measurements*

Fair value measurements of financial assets and financial liabilities and fair value measurements of nonfinancial items are recognized or disclosed at fair value in the financial statements on a recurring basis. 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 Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Foundation determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets (or liabilities) that the reporting entity has the ability to access at the measurement date.
- Level 2 Inputs: Prices for a similar asset (or liability), other than quoted prices included in Level 1 inputs, that are observable for the asset (or liability), either directly or indirectly. If the asset (or liability) has a specified term, a Level 2 input must be observable for substantially the full term of the asset (or liability).
- Level 3 Inputs: Unobservable inputs for the asset (or liability) used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset (or liability) at measurement date.

See additional information in note 3.

(g) *Net Assets*

The Foundation's net assets and changes therein are classified and reported as follows:

- **Permanently restricted net assets** – Net assets subject to donor-imposed restrictions that the principal be maintained in perpetuity. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for unrestricted purposes.
- **Temporarily restricted net assets** – Net assets subject to restrictions imposed by donor or law that may be met either by actions of the Foundation or the passage of time.
- **Unrestricted net assets** – Net assets that are not subject to donor-imposed restrictions or law.

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August 31, 2014

(h) *Revenue Recognition*

Unconditional promises to give are recognized initially at fair value as contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. Amortization of the discounts is recorded as additional contribution revenue. Conditional promises are recorded as revenue once the conditions are substantially met. Contributions, grants, and bequests are recognized as either temporarily or permanently restricted 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 statements of activities as net assets released from restrictions. When restrictions are met in the same period as the contribution is received, the Foundation records the contribution and the expense as unrestricted. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Foundation received in-kind contributions of assets and services that are included in the accompanying statement of activities as follows:

Contributions:

Wish related	\$	396,382
Professional services		2,980
Total	\$	<u>399,362</u>

Special event revenue:

Internal special events	\$	1,980
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Donated property and equipment:

	\$	<u>1,998</u>
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An internal special event is a fundraising event coordinated and staffed by Foundation personnel rather than a third-party support group or organization. It is designed to attract people for the purpose of raising mission awareness, for increasing funding from existing donors, and the cultivation of future donors. Internal special event in-kind amounts are donated items recorded at fair value that are used in facilitating the event. Examples of such donated items are generally food, beverage, facility costs, and auction items.

Program or supporting services expenses were recorded at fair value totaling \$396,382 in 2014, with the difference recorded as other assets representing primarily auction items received and not yet used.

MAKE-A-WISH FOUNDATION[®] OF CENTRAL CALIFORNIA

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(h) Revenue Recognition (Continued)

Advertising and media is used to help the Foundation communicate its message or mission and includes fundraising materials, informational material, or advertising, and may be in the form of an audio or video tape of a public service announcement, a layout for a newspaper, media time or space for public service announcements, or other purposes. Advertising and media are reported as contribution revenue when received and fundraising expense when received and the reporting of such contributions is unaffected by whether the Foundation could afford to purchase or would have purchased the assets at their fair value.

(i) Income Taxes

The Foundation is a not-for-profit organization exempt from federal income and California Taxes under the provisions of Internal Revenue Code Section 501(c)(3). However, the Foundation remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

Management believes that no uncertain tax positions exist for the Foundation at August 31, 2014.

(j) Functional Expenses

The Foundation performs six functions: wish granting, program-related support, training and development, public information, fundraising, and management and general. Definitions of these functions are as follows:

Wish Granting

Activities performed by the Foundation that grant wishes to children with life-threatening medical conditions.

Fundraising

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations.

Management and General

All costs not identifiable with a single program or fundraising activity, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment, and other expenses.

Expenses that benefit more than one function of the Foundation are allocated among the functions based generally on the amount of time spent by employees on each function.

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August 31, 2014

(k) Management Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, valuation of investments and contributions receivable, accrued pending wish costs, net of attrition on pending wish costs and whether an allowance for uncollectible contributions receivable is required. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

(3) Fair Value Measurements

(a) Fair Value of Financial Instruments

Fair value is defined as the amount 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 values of the financial instruments shown in the following table as of August 31, 2014 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

Overall Investment Objective

The overall investment objective of the Foundation is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation. The Foundation diversifies its investments among various asset classes incorporating multiple strategies and managers. Major investment decisions are authorized by the Board's Finance committee.

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA

Statements of Financial Position

August 31, 2014

(b) Fair Value Hierarchy

The following table presents the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at August 31, 2014:

Description	August 31, 2014	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Recurring:				
Investments:				
Mutual funds:				
Domestic equity	\$ 39,862	39,862	—	—
International equity	17,210	17,210	—	—
Real estate	3,533	3,533	—	—
Asset allocation	3,433	3,433	—	—
Bonds	68,497	68,497	—	—
Total Recurring	<u>132,535</u>	<u>132,535</u>	<u>—</u>	<u>—</u>

Total investment income, gains, and losses for the year ended August 31, 2014 consist of the following:

Interest and dividend income	\$ 8,233
Realized and unrealized gains, net	625
Less investment expenses	<u>(1,283)</u>
Investment income, net	<u>\$ 7,575</u>

(4) Contributions Receivable

The following is a summary of the Foundation's contributions receivable at August 31, 2014:

Total amounts due in:	
One year	\$ <u>15,827</u>
Contributions receivable, net	<u>\$ 15,827</u>

MAKE-A-WISH FOUNDATION[®] OF CENTRAL CALIFORNIA

Statements of Financial Position

August 31, 2014

(5) Transactions with Related Entities

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel and training scholarships, amounts to fund the Adopt-A-Wish[®] program, and other miscellaneous revenues. During the year ended August 31, 2014, the Foundation received \$213,163 from these national revenue streams.

Conversely, the chapter pays amounts to the National Organization for annual dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation. Amounts totaling \$50,001 were paid from the Foundation to the National Organization during the year ended August 31, 2014.

Chapters who assist with the organization and granting of wishes from other chapters are paid a “fee for service” called the wish assist fee. Under this program, the Foundation received \$0 for the year ended August 31, 2014.

Amounts due from and to related entities are as follows:

Due from National Organization	\$	<u>20,492</u>
Total due from related entities	\$	<u>20,492</u>
Due to other chapters	\$	<u>6,584</u>
Total due to related entities	\$	<u>6,584</u>

Amounts due from the National Organization represent contributions remitted to the National Organization that are identified for the Foundation’s use but were not yet transferred to the Foundation as of year-end. Amounts due from other chapters represent amounts paid in assisting other chapters with their wish granting. Amounts due to other chapters represent amounts owed to other chapters who have assisted in the granting of wishes for the Foundation.

During 2014 the Foundation received contributions, both cash and in-kind, from board members totaling \$144,367.

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA

Statements of Financial Position

August 31, 2014

(6) Property and Equipment, Net

Property and equipment as of August 31, 2014 consist of the following:

Office equipment	\$	45,623
Other equipment		3,893
Software development		1,600
Computer software		22,215
Marketing video		5,000
Computers and software		<u>12,838</u>
		91,169
Less accumulated depreciation and amortization		<u>(71,109)</u>
Property and equipment, net	\$	<u><u>20,060</u></u>

Depreciation and amortization expense totaled \$7,119 for the year ended August 31, 2014. Buildings are depreciated over 40 years, computer equipment, software, and related items over three years, office furniture and other equipment over five years, and leasehold improvements over the shorter of seven years or the remaining lease term.

(7) Accrued Pending Wish Costs

The Foundation accrues for estimated costs of reportable pending wishes as unconditional promises to give when five certain, measurable wish criteria are met. Prior to meeting these five criteria, the wish is considered a conditional promise to give due to the inherent uncertainties surrounding these criteria and is therefore not accrued as a pending wish liability. Reportable pending wish criteria include:

1. Receiving a referral,
2. Obtaining the required medical eligibility form,
3. Contact with the wish family has occurred to determine the prospective wish,
4. Determination that the wish falls within the National Organization's wish granting policy, and
5. The wish is expected to be granted within the next 12 months.

The Foundation, as part of its estimate of accrued pending wish costs, also considers attrition on pending wish costs. An attrition rate is calculated by the Foundation by analyzing the trend of wishes that have been accrued for using the five criteria discussed above that have not been able to be completed within the past twelve months due to factors outside of the control of the chapter, such as the death of a child, the move of the family out of the chapter's territory, or loss of contact with the family. As of August 31, 2014, the Foundation had approximately 79 reportable pending wishes.

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA

Statements of Financial Position

August 31, 2014

(8) Leases

The Foundation is obligated under various operating leases for offices and equipment, which expire at various dates through June 30, 2019. Total rent expense for all operating leases for the year ended August 31, 2014 was \$28,901.

Future minimum lease payments under operating leases having remaining terms in excess of one year are as follows:

	<u>Operating leases</u>
Year ending August 31:	
2015	\$ 30,151
2016	30,401
2017	31,651
2018	31,651
2019 and following	<u>1,051</u>
Total minimum lease payments	\$ <u><u>124,905</u></u>

(9) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes for the year ended August 31, 2014:

Time restrictions	\$ 21,180
Purpose restrictions	<u>15,827</u>
Total temporarily restricted net assets	\$ <u><u>37,007</u></u>

(10) Retirement Plan

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of one year of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan for the year ended August 31, 2014 were \$2,970.

(11) Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash, cash equivalents, and investments. The Foundation places its cash and investments with high credit quality financial institutions and generally limits the amount of credit exposure not to exceed the FDIC insurance coverage limit of \$250,000. From time to time throughout the year, the Foundation's cash balances may exceed the amount of the FDIC insurance coverage.

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA

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(11) Concentrations of Credit Risk (Continued)

In-kind contributions totaling \$93,980 were received from a single donor for the year ended August 31, 2014, which represents .06% of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

(12) Subsequent Events

The Foundation has evaluated subsequent events from the statement of financial position date through April 21, 2015, the date at which the financial statements were available to be issued.

(13) Restatement

During the fiscal year, two misstatements were identified which required adjustments to the net assets as of September 1, 2013. In the prior year, the pending wish liability was understated by \$96,993 due to the use of average cash wish costs in the calculation rather than average total wish costs. In addition, contributions receivable of \$26,081 were reported as unrestricted net assets rather than as temporarily restricted net assets. These adjustments decreased beginning unrestricted net assets by \$123,074 and increased temporarily restricted net assets by \$26,081. Total beginning net assets decreased by \$96,993.