

**WISHES & MORE®**  
**AUDITED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014**

**SCHLENNER WENNER & CO.**  
**Certified Public Accountants**  
**& Business Consultants**

**WISHES & MORE®**  
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## INDEPENDENT AUDITORS' REPORT

November 12, 2015

Board of Directors  
Wishes & More®  
Fridley, Minnesota

### Report on the Financial Statements

We have audited the accompanying financial statements of Wishes & More® (a non-profit organization) which comprise the statement of financial position as of December 31, 2014, the related statements of activities, functional expenses, and cash flows 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.

### Auditor's 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 of 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 Organization'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 Organization'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.

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**Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wishes & More® as of December 31, 2014, and the change in net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Report on Summarized Comparative Information**

The financial statements of Wishes & More®, as of and for the year ended December 31, 2013, were audited by other auditors whose report dated July 21, 2014 expressed an unmodified opinion on those statements.

*Schlenner Wenner & Co.*

**SCHLENNER WENNER & CO.**

St. Cloud, Minnesota

**WISHES & MORE®**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2014 AND 2013**

**ASSETS**

	2014	2013
<b>CURRENT ASSETS</b>		
Cash	\$ 303,101	\$ 400,237
Certificates of Deposit	340,000	125,000
Promises to Give	69,922	10,025
Prepaid Expenses	7,496	16,636
Total Current Assets	720,519	551,898
 <b>FURNITURE AND EQUIPMENT</b>		
Furniture and Equipment	6,127	4,127
Less: Accumulated Depreciation	4,527	4,127
Net Furniture and Equipment	1,600	-
 <b>OTHER ASSETS</b>		
Trademark Costs	6,878	6,878
Website	12,734	12,950
Software	4,717	4,717
Total Other Assets	24,329	24,545
Less: Accumulated Amortziation	22,004	21,586
Net Other Assets	2,325	2,959
 <b>TOTAL ASSETS</b>	<b>\$ 724,444</b>	<b>\$ 554,857</b>

**LIABILITIES AND NET ASSETS**

<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 5,179	\$ 4,316
Wishes Payable	7,778	13,185
Accrued Payroll and Related Liabilities	8,469	9,023
Total Current Liabilities	21,426	26,524
 <b>NET ASSETS</b>		
Unrestricted		
Unrestricted	488,436	239,828
Board Designated	165,306	219,426
Total Unrestricted	653,742	459,254
Temporarily Restricted	49,276	69,079
Total Net Assets	703,018	528,333
 <b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 724,444</b>	<b>\$ 554,857</b>

**WISHES & MORE®**  
**STATEMENTS OF ACTIVITIES**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014			2013		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>PUBLIC SUPPORT AND REVENUE</b>						
Contributions	\$ 98,865	\$ 12,135	\$ 111,000	\$ 56,733	\$ 38,511	\$ 95,244
Memorials	18,881	-	18,881	9,195	-	9,195
Grant Income	106,510	-	106,510	98,000	-	98,000
In-Kind Contributions	85,160	-	85,160	77,460	-	77,460
Fundraising Events, Net	452,827	-	452,827	298,251	-	298,251
Interest Income	1,026	-	1,026	879	-	879
Net Assets Released from Restrictions	31,938	(31,938)	-	27,147	(27,147)	-
<b>Total Support and Revenue</b>	<b>795,207</b>	<b>(19,803)</b>	<b>775,404</b>	<b>567,665</b>	<b>11,364</b>	<b>579,029</b>
<b>EXPENSES</b>						
Program Services	521,964	-	521,964	451,020	-	451,020
Supporting Services:						
Administrative	35,011	-	35,011	38,877	-	38,877
Fundraising	43,744	-	43,744	32,285	-	32,285
<b>Total Supporting Services Expenses</b>	<b>78,755</b>	<b>-</b>	<b>78,755</b>	<b>71,162</b>	<b>-</b>	<b>71,162</b>
<b>Total Expenses</b>	<b>600,719</b>	<b>-</b>	<b>600,719</b>	<b>522,182</b>	<b>-</b>	<b>522,182</b>
<b>CHANGE IN NET ASSETS</b>	<b>194,488</b>	<b>(19,803)</b>	<b>174,685</b>	<b>45,483</b>	<b>11,364</b>	<b>56,847</b>
<b>NET ASSETS, Beginning of Year</b>	<b>459,254</b>	<b>69,079</b>	<b>528,333</b>	<b>413,771</b>	<b>57,715</b>	<b>471,486</b>
<b>NET ASSETS, End of Year</b>	<b>\$ 653,742</b>	<b>\$ 49,276</b>	<b>\$ 703,018</b>	<b>\$ 459,254</b>	<b>\$ 69,079</b>	<b>\$ 528,333</b>

**WISHES & MORE®**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014			
	Program	Supporting Services		Total
	Services	Administration	Fundraising	
<b>EXPENSES</b>				
Salaries	\$ 139,929	\$ 22,691	\$ 26,472	\$ 189,092
Payroll Taxes	10,225	1,658	1,934	13,817
Employee Benefits	16,313	2,645	3,086	22,044
Total Personnel Costs	166,467	26,994	31,492	224,953
Wish Expense	297,466	-	-	297,466
Scholarship of Hope®	10,000	-	-	10,000
Occupancy	9,225	1,845	1,230	12,300
Office Supplies	7,745	1,549	1,033	10,327
Professional Services	5,042	1,009	4,034	10,085
Postage	4,443	888	592	5,923
Meetings	1,241	248	165	1,654
Education	2,416	-	-	2,416
Insurance	2,943	589	393	3,925
Public Relations	9,332	-	3,111	12,443
Bank and Credit Card Charges	717	717	717	2,151
Volunteer Expense	1,416	-	-	1,416
Telephone	2,147	429	286	2,862
Miscellaneous	588	588	588	1,764
Amortization	476	95	63	634
Depreciation	300	60	40	400
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 521,964</b>	<b>\$ 35,011</b>	<b>\$ 43,744</b>	<b>\$ 600,719</b>
	2013			
	Program	Supporting Services		Total
	Services	Administration	Fundraising	
<b>EXPENSES</b>				
Salaries	\$ 144,077	\$ 26,196	\$ 16,840	\$ 187,113
Payroll Taxes	10,568	1,921	1,235	13,724
Employee Benefits	16,945	3,081	1,981	22,007
Total Personnel Costs	171,590	31,198	20,056	222,844
Wish Expense	214,851	-	-	214,851
Scholarship of Hope®	14,000	-	-	14,000
Occupancy	10,164	1,848	1,188	13,200
Office Supplies	5,936	1,058	720	7,714
Professional Services	5,492	1,208	4,283	10,983
Postage	7,052	1,282	824	9,158
Meetings	1,269	231	148	1,648
Insurance	3,018	549	353	3,920
Public Relations	10,484	-	3,495	13,979
Bank and Credit Card Charges	696	676	676	2,048
Volunteer Expense	2,049	-	-	2,049
Telephone	2,179	396	255	2,830
Miscellaneous	30	29	29	88
Amortization	2,210	402	258	2,870
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b>\$ 451,020</b>	<b>\$ 38,877</b>	<b>\$ 32,285</b>	<b>\$ 522,182</b>

See accompanying notes.

**WISHES & MORE®**  
**STATEMENTS OF CASH FLOWS**  
**FOR THE YEARS ENDED DECEMBER 31, 2014 AND 2013**

	2014	2013
<b>CASH FLOWS - OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 174,685	\$ 56,847
Adjustments to Reconcile Change in Net Assets to Net Cash Flows - Operating Activities:		
Amortization and Depreciation	1,034	2,870
Change in Assets and Liabilities:		
Promises to Give	(59,897)	5,302
Prepaid Expenses	9,140	1,309
Accounts Payable	863	1,805
Wishes Payable	(5,407)	7,575
Accrued Payroll and Related Expenses	(554)	(1,164)
Net Cash Flows - Operating Activities	119,864	74,544
<b>CASH FLOWS - INVESTING ACTIVITIES</b>		
Maturity of Certificates of Deposit	355,000	240,000
Purchase of Certificates of Deposit	(570,000)	(245,000)
Purchase of Furniture and Equipment	(2,000)	-
Net Cash Flows - Investing Activities	(217,000)	(5,000)
<b>NET CHANGE IN CASH</b>	(97,136)	69,544
<b>CASH, Beginning of Year</b>	400,237	330,693
<b>CASH, End of Year</b>	\$ 303,101	\$ 400,237



**WISHES & MORE®**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of the nature of operations and significant accounting policies of Wishes & More® (the Organization) is presented to assist in understanding the Organization's financial statements.

Nature of Operations

Wishes & More® is a nonprofit corporation organized to enhance the lives of children, nineteen years old and younger, fighting terminal or life-threatening conditions by providing extraordinary experiences. The Organization's support comes primarily from corporate and individual donor contributions.

The Organization also provides Scholarships of Hope® which are presented to each wish child upon being granted their wish that will be a financial grant to apply to any higher institution of learning beyond high school. Memorials are provided for children who are unable to experience their wish.

Basis of Accounting

The financial statements of the Organization are prepared on the accrual basis of accounting. Accordingly, revenue is recognized as it is earned and expenses are recorded as incurred.

Basis of Presentation

The Organization follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) *Not-for-Profit Entities* topic 958. The topic establishes standards for external financial reporting by not-for-profit organizations and requires that resources be classified for accounting and reporting purposes into three net asset categories according to externally (donor) imposed restrictions. The topic also requires that unconditional promises to give (pledges) be recorded as receivables and revenues and requires the Organization to distinguish between contributions received for each net asset category in accordance with donor imposed restrictions. A description of the three net asset categories follows:

*Unrestricted* – net assets over which the Board of Directors has discretionary control. Designated amounts represent those revenues which the Board has set aside for a particular purpose. At December 31, 2014 and 2013, the Board has designated \$165,306 and \$219,426 for general operation reserves, respectively.

*Temporarily Restricted* – net assets subject to donor-imposed restrictions that can be met either by actions of the Organization and/or the passage of time.

*Permanently Restricted* – net assets subject to donor-imposed restrictions that they be maintained permanently by the Organization. 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. There are no permanently restricted net assets at December 31, 2014 and 2013.

The Organization has elected to present temporarily restricted contributions which are fulfilled in the same time period within the unrestricted net asset class. Additional information on how these standards have been applied by the Organization can be found in paragraphs describing Recognition of Contributions.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Concentrations

The Organization maintains the majority of its cash and cash equivalents at two financial institutions. The balances, at times, may exceed FDIC insurance limits. The Organization has not experienced any losses related to such amounts. Management believes it is not exposed to any significant custodial risk on cash.

**WISHES & MORE®**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Certificates of Deposit

The certificates of deposit are recorded at cost, which approximate fair value.

Promises to Give and Allowance for Doubtful Pledges

Promises to give receivables are carried at fair value and are recorded as receivables when pledged and allowances are provided for amounts estimated to be uncollectible. The allowance is based on prior years' collection experience and management's analysis of current economic conditions and specific pledges made. No allowance is deemed necessary for the years ended December 31, 2014 and 2013. Pledges receivable are written off when deemed uncollectible. Recoveries of promises to give receivables previously written off are recorded when received. Management anticipates that all pledges will be received in the near term.

Furniture and Equipment

Furniture and equipment are carried at historical cost. Donated land, property and equipment are carried at the estimated fair value at the date of donation. Major additions and betterments in excess of \$1,000 are charged to the property accounts while replacements, maintenance, and repairs that do not improve or extend the life of the respective assets are expensed in the current period. The Organization retains a reversionary interest in all equipment.

Depreciation

Depreciation is computed using the straight-line method for financial reporting purposes. Depreciation of equipment is based on estimated useful life of five years. Depreciation expense amounts to \$400 and \$0 for the years ended December 31, 2014 and 2013, respectively.

Other Assets

Trademark, website development, and software costs are amortized using the straight-line method between five and fifteen years. Amortization expense amounts to \$634 and \$2,870 for the years ended December 31, 2014 and 2013, respectively.

Long-Lived Assets

Long-lived assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of such assets may not be recoverable. Determination of recoverability is based on an estimate of undiscounted future cash flows resulting from the use of the asset and its eventual disposition. Measurement of an impairment loss for long-lived assets is based on the fair value of the asset. Long-lived assets to be disposed of are reported at the lower of carrying amount or fair value less costs to sell.

Wishes Payable

The Organization's wish policy is to recognize wish expense when the expense is incurred. The Organization believes this policy better reflects the wish expense as the wish expense is not known until the wish occurs. As of December 31, 2014 and 2013, the Organization had approved the designated net assets of approximately \$25,500 and \$99,100, respectively, for future wishes.

Recognition of Contributions

The Organization 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, that is, when a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the Statement of Activities as net assets released from restrictions. Temporarily restricted net assets consist primarily of donations whose purpose have not yet been met.

Donated Land, Furniture and Equipment

Donations of land, furniture and equipment are recorded as contributions at their estimated fair value at the date of donation. Such donations are reported as increases in unrestricted net assets unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire land, furniture and equipment are reported as restricted contributions. Absent donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time. There were no such donations for the years ended December 31, 2014 and 2013.

**WISHES & MORE®**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE A SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Donated Services

Donated services are recognized as contributions in accordance with FASB ASC Topic 958, Not-for-Profit Entities, only if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization generally pays for services requiring specific expertise.

In-Kind Items

The Organization recognizes contributed goods and services as revenue and expense if such goods and services meet the criteria for recognition in accordance with generally accepted accounting principles as described in the preceding paragraph. In-kind items are recorded at fair value at the time of donation. In-kind revenues amount to \$85,160 and \$77,460 for the years ended December 31, 2014 and 2013, respectively. In-kind items consist of various items and services relating to public relation services, printing services, and other donations for wishes.

Functional Expenses

The Organization allocates its expenses on a functional basis by program and supporting services. Expenses that can be identified with a specific program and support service are allocated to that program according to their natural expenditure classification. Other expenses that are common to several functions are allocated by various statistical bases as determined by management.

Advertising

Advertising costs are expensed as incurred. Such expense amounts to \$12,443 and \$13,979 for the years ended December 31, 2014 and 2013, respectively.

Fundraising Expense

The Organization expenses fundraising costs as they are incurred.

Income Taxes

The Organization follows FASB ASC Topic 740, *Uncertainty in Income Taxes*. The Organization is recognized by the Internal Revenue Service as a not-for-profit organization under IRS Code Section 501(c)(3). Due to the not-for-profit nature and provision of the Organization, all income and expenses attributable to the mission of the Organization are tax exempt and accordingly no provision or liability for income taxes have been made in the financial statements and contributions to the Organization are tax deductible to donors as allowed by IRS regulations. However, the Organization is required to pay state and federal income taxes on unrelated business income. If the Organization were to engage in any activities that resulted in unrelated business income, a tax would be assessed on that activity. The Organization is open and subject to examination generally for three years after the filing date.

Subsequent Events

In accordance with FASB ASC Topic 885, *Subsequent Events*, the Organization has evaluated subsequent events through November 12, 2015, which is the date these financial statements were available to be issued, and have determined there are no subsequent events that require recognition or disclosure.

Reclassification

Certain reclassifications have been made to the prior years' financial statements to conform to the current year presentation. These reclassifications had no effect on previously reported net assets available for benefits or changes in net assets available for benefits.

**NOTE B CERTIFICATES OF DEPOSIT**

At December 31, 2014, the Organization holds ten certificates of deposit with original maturity dates ranging from six months to twelve months and interest rates ranging from 0.25% to 0.50%. At December 31, 2013, the Organization holds five certificates of deposit with original maturity dates ranging from six months to twelve months and interest rates ranging from 0.25% to 0.65%. At December 31, 2014 and 2013, such balances amount to \$340,000 and \$125,000, respectively.

**WISHES & MORE®**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2014 AND 2013**

**NOTE C TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes at December 31:

	2014	2013
Scholarship of Hope	\$ 23,829	\$ 39,641
Wish Expenses	25,447	29,438
Balance at June 30	\$ 49,276	\$ 69,079

**NOTE D RETIREMENT PLAN**

The Organization maintains a SIMPLE IRA plan which is available to employees who have earned at least \$5,000 in the current year. The Organization matches 100% of the employee contributions up to a maximum of 3% of the employee's salary. Contributions total \$5,103 and \$5,405 for the years ended December 31, 2014 and 2013, respectively.

**NOTE E COMMITMENTS**

The Organization has month-to-month office, storage and meeting space leases. The office space is rented for \$1,000 per month from a corporation whose shareholder is a spouse of a member of the Board of Directors. The storage and meeting space is rented from a relative of a member of the Board of Directors for \$100 per month through March 31, 2015. Rent expense amounts to \$12,300 and \$13,200 for the years ended December 31, 2014 and 2013, respectively.

**NOTE F FUNDRAISING EVENTS**

The Organization holds a variety of fundraising events during the year. For the years ended December 31, 2014 and 2013, the fundraising events include the Golf Classic, the Winter Ball, and Wine and Beer Tastings. Fundraising events generated revenues of \$559,898 and \$366,541 for the years ended December 31, 2014 and 2013, respectively.

Expenses for the fundraising events are as follows:

	2014	2013
Direct Benefit		
Food and Drink	\$ 45,048	\$ 32,678
Decorations and Entertainment	10,368	10,109
Auction Items and Prizes	10,555	1,918
Golfing Fees	13,898	11,716
Indirect Benefit		
Marketing and Printing	1,229	2,485
Supplies	1,476	1,421
Postage	3,429	331
Bank Card Fees	7,703	6,614
Other	13,365	1,018
Total	\$ 107,071	\$ 68,290