

WISHES & MORE®
AUDITED FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

SCHLENNER WENNER & CO.
Certified Public Accountants
& Business Consultants

WISHES & MORE®
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INDEPENDENT AUDITORS' REPORT

July 19, 2016

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 statements of financial position as of December 31, 2015 and 2014, the related statements of activities, functional expenses, and cash flows 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 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, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Schlenner Wenner & Co.

SCHLENNER WENNER & CO.

St. Cloud, Minnesota

WISHES & MORE®
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2015 AND 2014

ASSETS

	2015	2014
CURRENT ASSETS		
Cash	\$ 339,979	\$ 303,101
Certificates of Deposit	400,000	340,000
Promises to Give	37,205	69,922
Prepaid Expenses	35,437	7,496
Total Current Assets	812,621	720,519
 FURNITURE AND EQUIPMENT		
Furniture and Equipment	6,127	6,127
Less: Accumulated Depreciation	4,927	4,527
Net Furniture and Equipment	1,200	1,600
 OTHER ASSETS		
Trademark Costs	6,878	6,878
Website	12,734	12,734
Software	4,717	4,717
Total Other Assets	24,329	24,329
Less: Accumulated Amortziation	22,421	22,004
Net Other Assets	1,908	2,325
 TOTAL ASSETS	 \$ 815,729	 \$ 724,444

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES		
Accounts Payable	\$ 1,460	\$ 5,179
Wishes Payable	11,516	7,778
Accrued Payroll and Related Liabilities	9,354	8,469
Total Current Liabilities	22,330	21,426
 NET ASSETS		
Unrestricted		
Unrestricted	566,051	488,436
Board Designated	174,922	165,306
Total Unrestricted	740,973	653,742
Temporarily Restricted	52,426	49,276
Total Net Assets	793,399	703,018
 TOTAL LIABILITIES AND NET ASSETS	 \$ 815,729	 \$ 724,444

WISHES & MORE®
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
PUBLIC SUPPORT AND REVENUE						
Contributions	\$ 73,370	\$ 25,785	\$ 99,155	\$ 98,865	\$ 12,135	\$ 111,000
Memorials	19,364	-	19,364	18,881	-	18,881
Grant Income	78,821	-	78,821	106,510	-	106,510
In-Kind Contributions	146,544	-	146,544	85,160	-	85,160
Fundraising Events, Net	391,145	-	391,145	452,827	-	452,827
Interest Income	1,717	-	1,717	1,026	-	1,026
Net Assets Released from Restrictions	22,635	(22,635)	-	31,938	(31,938)	-
Total Support and Revenue	733,596	3,150	736,746	795,207	(19,803)	775,404
EXPENSES						
Program Services	567,915	-	567,915	521,964	-	521,964
Supporting Services:						
Administrative	40,244	-	40,244	35,011	-	35,011
Fundraising	38,206	-	38,206	43,744	-	43,744
Total Supporting Services Expenses	78,450	-	78,450	78,755	-	78,755
Total Expenses	646,365	-	646,365	600,719	-	600,719
CHANGE IN NET ASSETS	87,231	3,150	90,381	194,488	(19,803)	174,685
NET ASSETS, Beginning of Year	653,742	49,276	703,018	459,254	69,079	528,333
NET ASSETS, End of Year	\$ 740,973	\$ 52,426	\$ 793,399	\$ 653,742	\$ 49,276	\$ 703,018

WISHES & MORE®
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015			
	Program	Supporting Services		Total
	Services	Administration	Fundraising	
EXPENSES				
Salaries	\$ 120,380	\$ 26,751	\$ 20,063	\$ 167,194
Payroll Taxes	8,683	1,929	1,447	12,059
Employee Benefits	17,817	3,959	2,969	24,745
Total Personnel Costs	146,880	32,639	24,479	203,998
Wish Expense	361,112	-	-	361,112
Scholarship of Hope®	6,315	-	-	6,315
Occupancy	9,750	1,950	1,300	13,000
Office Supplies	6,754	1,351	901	9,006
Professional Services	4,984	997	3,988	9,969
Postage	5,727	1,146	764	7,637
Meetings	846	169	113	1,128
Education	2,310	-	-	2,310
Insurance	2,916	583	389	3,888
Public Relations	15,082	-	5,027	20,109
Bank and Credit Card Charges	903	903	903	2,709
Volunteer Expense	1,860	-	-	1,860
Telephone	1,850	370	247	2,467
Miscellaneous	14	13	13	40
Amortization	312	63	42	417
Depreciation	300	60	40	400
TOTAL FUNCTIONAL EXPENSES	\$ 567,915	\$ 40,244	\$ 38,206	\$ 646,365
	2014			
	Program	Supporting Services		Total
	Services	Administration	Fundraising	
EXPENSES				
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
TOTAL FUNCTIONAL EXPENSES	\$ 521,964	\$ 35,011	\$ 43,744	\$ 600,719

WISHES & MORE®
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2015 AND 2014

	2015	2014
CASH FLOWS - OPERATING ACTIVITIES		
Change in Net Assets	\$ 90,381	\$ 174,685
Adjustments to Reconcile Change in Net Assets to Net Cash Flows - Operating Activities:		
Amortization and Depreciation	817	1,034
Change in Assets and Liabilities:		
Promises to Give	32,717	(59,897)
Prepaid Expenses	(27,941)	9,140
Accounts Payable	(3,719)	863
Wishes Payable	3,738	(5,407)
Accrued Payroll and Related Expenses	885	(554)
Net Cash Flows - Operating Activities	96,878	119,864
CASH FLOWS - INVESTING ACTIVITIES		
Maturity of Certificates of Deposit	340,000	355,000
Purchase of Certificates of Deposit	(400,000)	(570,000)
Purchase of Furniture and Equipment	-	(2,000)
Net Cash Flows - Investing Activities	(60,000)	(217,000)
NET CHANGE IN CASH	36,878	(97,136)
CASH, Beginning of Year	303,101	400,237
CASH, End of Year	\$ 339,979	\$ 303,101
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Non-Cash In-Kind Expenses	\$ 146,194	\$ 83,184

WISHES & MORE®
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

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, 2015 and 2014, the Board has designated \$174,922 and \$165,306 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, 2015 and 2014.

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, 2015 AND 2014

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, 2015 and 2014. 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 for both years ended December 31, 2015 and 2014.

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, 2015 and 2014, the Organization had approved the designated net assets of approximately \$23,500 and \$25,500, 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, 2015 and 2014.

WISHES & MORE®
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

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 \$146,544 and \$85,160 for the years ended December 31, 2015 and 2014, 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 \$20,109 and \$12,443 for the years ended December 31, 2015 and 2014, 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 July 19, 2016, 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.

NOTE B CERTIFICATES OF DEPOSIT

At December 31, 2015, the Organization holds eight certificates of deposit with original maturity dates ranging from eight months to twelve months and interest rates ranging from 0.30% to 0.70%. 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, 2015 and 2014, such balances amount to \$400,000 and \$340,000, respectively.

WISHES & MORE®
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE C OTHER ASSETS

Trademark, website development, and software costs are amortized using the straight-line method between five and fifteen years. Amortization expense amounts to \$417 and \$634 for the years ended December 31, 2015 and 2014, respectively.

At December 31, 2015, estimated amortization expense for the next five years is as follows:

Year Ended December 31,	Amount
2016	\$ 417
2017	417
2018	417
2019	410
2020	342
Thereafter	119
Total	\$ 2,122

NOTE D TEMPORARILY RESTRICTED NET ASSETS

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

	2015	2014
Scholarship of Hope	\$ 29,078	\$ 23,829
Wish Expenses	23,348	25,447
Balance at December 31	\$ 52,426	\$ 49,276

NOTE E 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 \$4,709 and \$5,103 for the years ended December 31, 2015 and 2014, respectively.

NOTE F 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 \$13,000 and \$12,300 for the years ended December 31, 2015 and 2014, respectively.

NOTE G FUNDRAISING EVENTS

The Organization holds a variety of fundraising events during the year. For the years ended December 31, 2015 and 2014, fundraising events include the Golf Classic, the Winter Ball, and Wine and Beer Tastings. Fundraising events generated revenues of \$491,536 and \$559,898 for the years ended December 31, 2015 and 2014, respectively.

WISHES & MORE®
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014

NOTE G FUNDRAISING EVENTS (Continued)

Expenses for fundraising events are as follows:

	2015	2014
Direct Benefit		
Food and Drink	\$ 48,421	\$ 45,048
Decorations and Entertainment	8,028	10,368
Auction Items and Prizes	5,407	10,555
Golfing Fees	13,253	13,898
Indirect Benefit		
Marketing and Printing	690	1,229
Supplies	797	1,476
Postage	1,924	3,429
Bank Card Fees	8,142	7,703
Other	13,729	13,365
Total	\$ 100,391	\$ 107,071