

**MAKE-A-WISH FOUNDATION[®] OF
NORTHEAST NEW YORK**

Financial Statements

August 31, 2014

(With Independent Auditors' Report Thereon)

MAKE-A-WISH FOUNDATION® OF NORTHEAST NEW YORK

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Make-A-Wish Foundation® of Northeast New York
Albany, New York

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Northeast New York (a nonprofit organization), 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.

Board of Directors
Make-A-Wish Foundation® of Northeast New York

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 Northeast New York 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Boston, Massachusetts
January 23, 2015

MAKE-A-WISH FOUNDATION® OF NORTHEAST NEW YORK

Statements of Financial Position

August 31, 2014

Assets	2014
Cash and cash equivalents	\$ 124,368
Investments	2,686,761
Due from related entities	4,938
Prepaid expenses	15,897
Contributions receivable, net	222,920
Property and equipment, net	18,240
Total assets	<u>\$ 3,073,124</u>
Liabilities and Net Assets	
Accounts payable and accrued expenses	\$ 105,093
Accrued pending wish costs	207,311
Other liabilities	16,290
Total liabilities	<u>328,694</u>
Net assets	
Unrestricted	2,627,611
Temporarily restricted	116,819
Total net assets	<u>2,744,430</u>
Total liabilities and net assets	<u>\$ 3,073,124</u>

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF NORTHEAST NEW YORK

Statement of Activities
Year ended August 31, 2014

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues, gains, and other support:				
Public support:				
Contributions	\$ 1,289,857	116,819	—	1,406,676
Grants	106,671	—	—	106,671
Total public support	<u>1,396,528</u>	<u>116,819</u>	<u>—</u>	<u>1,513,347</u>
Internal Special events	321,744	—	—	321,744
Less costs of direct benefits to donors	<u>(108,165)</u>	<u>—</u>	<u>—</u>	<u>(108,165)</u>
Total special events	213,579	—	—	213,579
Investment income, net	388,582	—	—	388,582
Other income	151	—	—	151
Net assets released from restrictions	<u>116,759</u>	<u>(116,759)</u>	<u>—</u>	<u>—</u>
Total revenues, gains, and other support	<u>2,115,599</u>	<u>60</u>	<u>—</u>	<u>2,115,659</u>
Expenses:				
Program services:				
Wish granting	<u>1,389,424</u>	<u>—</u>	<u>—</u>	<u>1,389,424</u>
Total program services	<u>1,389,424</u>	<u>—</u>	<u>—</u>	<u>1,389,424</u>
Support services:				
Fundraising	343,814	—	—	343,814
Management and general	<u>134,041</u>	<u>—</u>	<u>—</u>	<u>134,041</u>
Total support services	<u>477,855</u>	<u>—</u>	<u>—</u>	<u>477,855</u>
Total program and support services expenses	<u>1,867,279</u>	<u>—</u>	<u>—</u>	<u>1,867,279</u>
Change in net assets	248,320	60	—	248,380
Net assets, beginning of the year	<u>2,379,291</u>	<u>116,759</u>	<u>—</u>	<u>2,496,050</u>
Net assets, end of the year	<u>\$ 2,627,611</u>	<u>116,819</u>	<u>—</u>	<u>2,744,430</u>

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF NORTHEAST NEW YORK

Statements of Cash Flows

Years ended August 31, 2014

	<u>2014</u>
Cash flows from operating activities:	
Change in net assets	\$ 248,380
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	11,788
Bad debt expense	18,000
Net realized and unrealized (gains) losses on investments	(338,284)
Contributions receivable	(4,811)
Due from related entities	16,820
Prepaid expenses	(9,017)
Other assets	3,740
Accounts payable and accrued expenses	30,180
Accrued pending wish costs	(88,178)
Other liabilities	(2,260)
Net cash used in operating activities	<u>(113,642)</u>
Cash flows from investing activities:	
Purchases of investments	(136,088)
Proceeds from sales of investments	202,866
Purchases of property and equipment	(10,330)
Net cash provided by investing activities	<u>56,448</u>
Net decrease in cash and cash equivalents	(57,194)
Cash and cash equivalents, beginning of year	<u>181,562</u>
Cash and cash equivalents, end of year	<u>\$ 124,368</u>

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF NORTHEAST NEW YORK

Statement of Functional Expenses

Year ended August 31, 2014

	Program services		Support services			Total
	Wish granting	Total program services	Fundraising	Management and general	Total support services	
Direct costs of wishes	\$ 947,511	947,511	—	—	—	947,511
Salaries, taxes, and benefits	313,933	313,933	192,378	75,336	267,714	581,647
Printing, subscriptions, and publications	10,119	10,119	11,535	2,736	14,271	24,390
Professional fees	5,548	5,548	1,573	582	2,155	7,703
Rent and utilities	38,467	38,467	4,808	4,808	9,616	48,083
Postage and delivery	4,965	4,965	5,790	125	5,915	10,880
Travel	4,631	4,631	7,235	4,909	12,144	16,775
Meetings and conferences	1,519	1,519	80,541	2,633	83,174	84,693
Office supplies	4,029	4,029	1,274	1,383	2,657	6,686
Communications	6,497	6,497	1,282	1,150	2,432	8,929
Repairs and maintenance	5,169	5,169	1,885	754	2,639	7,808
Bad debt expense	—	—	18,000	—	18,000	18,000
Membership dues	135	135	515	565	1,080	1,215
National partnership dues	43,097	43,097	7,276	5,597	12,873	55,970
Miscellaneous	3,804	3,804	9,722	21,675	31,397	35,201
Depreciation and amortization	—	—	—	11,788	11,788	11,788
	<u>\$ 1,389,424</u>	<u>1,389,424</u>	<u>343,814</u>	<u>134,041</u>	<u>477,855</u>	<u>1,867,279</u>

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF NORTHEAST NEW YORK

Notes to Financial Statements

August 31, 2014

(1) Organization

Make-A-Wish Foundation® of Northeast New York (the Foundation) is a New York 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 fund raising 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 \$26,704 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.. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 5 years. 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 NORTHEAST NEW YORK

Notes to Financial Statements

August 31, 2014

(2) Summary of Significant Accounting Policies (Continued)

(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.

MAKE-A-WISH FOUNDATION® OF NORTHEAST NEW YORK

Notes to Financial Statements

August 31, 2014

(2) Summary of Significant Accounting Policies (Continued)

(g) Net Assets (Continued)

- **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.

(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 statements of activities as follows:

Contributions:	
Wish related	\$ <u>376,454</u>
Total	\$ <u><u>376,454</u></u>
Special event revenue:	
Internal special events	\$ <u><u>10,836</u></u>

An internal special event is a fund raising 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.

MAKE-A-WISH FOUNDATION® OF NORTHEAST NEW YORK

Notes to Financial Statements

August 31, 2014

(2) **Summary of Significant Accounting Policies (Continued)**

(i) ***Income Taxes***

The Foundation is a not-for-profit organization exempt from federal income and New York State taxes under the provisions of Internal Revenue Code Section 501(c)(3) and of the New York State tax code. 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 three functions: wish granting, fund raising, 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.

Fund Raising

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

During the fiscal year ended August 31, 2014, the Foundation incurred no significant joint costs for activities that included fund raising appeals.

MAKE-A-WISH FOUNDATION® OF NORTHEAST NEW YORK

Notes to Financial Statements

August 31, 2014

(2) Summary of Significant Accounting Policies (Continued)

(j) *Functional Expenses(Continued)*

Management and General

All costs not identifiable with a single program or fund raising 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 based on the percentage of direct costs to each function.

(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(s) 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.

MAKE-A-WISH FOUNDATION® OF NORTHEAST NEW YORK

Notes to Financial Statements

August 31, 2014

(3) Fair Value Measurements (Continued)

(a) Fair Value of Financial Instruments (Continued)

<u>Description</u>	<u>August 31, 2014</u>	<u>Fair value measurements at August 31, 2014 using</u>		
		<u>Quoted prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>	<u>Significant unobservable inputs (Level 3)</u>
Mutual funds:				
Domestic equity	\$ 1,384,601	\$ 1,384,601	\$ —	\$ —
Bonds	225,683	225,683	—	—
Exchange-traded funds:				
Domestic equity	419,784	419,784	—	—
Certificates of deposit	457,204	—	457,204	—
Debt securities:				
Corporate	199,489	—	199,489	—
Total	\$ 2,686,761	\$ 2,030,068	\$ 656,693	\$ —

For the valuation of corporate bonds and certificates of deposit at August 31, 2014, the Foundation used significant other observable inputs, particularly dealer market prices for comparable investments as of the valuation date (Level 2).

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

Interest and dividend income	\$ 50,298
Realized and unrealized gains, net	<u>338,284</u>
Investment income, net	<u>\$ 388,582</u>

MAKE-A-WISH FOUNDATION® OF NORTHEAST NEW YORK

Notes to Financial Statements

August 31, 2014

(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>222,920</u>
Contributions receivable	\$ <u><u>222,920</u></u>

(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 \$197,840 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 \$55,970 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 \$150 for the year ended August 31, 2014, which is recorded in the accompanying statement of activities as other income.

Amounts due from and to related entities are as follows:

Balance at August 31:	
Due from National Organization	\$ <u>4,938</u>
Total due from related entities	\$ <u><u>4,938</u></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 \$36,791. In 2014, amounts due from board members totaled \$3,000, and are included in contributions receivable in the accompanying statements of financial position. Amounts paid to related parties for goods and services used in the Foundation's operations totaled \$3,586 in 2014. Amounts due to related parties as of August 31, 2014 totaled \$12,368, and are included in accounts payable in the accompanying statement of financial position.

MAKE-A-WISH FOUNDATION® OF NORTHEAST NEW YORK

Notes to Financial Statements

August 31, 2014

(6) Property and Equipment, Net

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

Computer equipment and software	\$ 68,579
Office furniture	15,496
	<u>84,075</u>
Less accumulated depreciation and amortization	(65,835)
	<u>18,240</u>
Property and equipment, net	<u>\$ 18,240</u>

Depreciation and amortization expense totaled \$11,788 for the year ended August 31, 2014.

(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. In the current year, an attrition rate has not been applied to the estimate of accrued pending wish costs, as management has determined its effect would be immaterial to the financial statements. As of August 31, 2014, the Foundation had approximately 32 reportable pending wishes.

MAKE-A-WISH FOUNDATION® OF NORTHEAST NEW YORK

Notes to Financial Statements

August 31, 2014

(8) Leases

The Foundation is obligated under various operating leases for offices and equipment, which expire at various dates through October 31, 2014. Total rent expense for all operating leases for the year ended August 31, 2014 totaled \$39,600. The Foundation has entered into a new lease in August 2014 commencing on December 1, 2014.

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	\$ 57,600
2016	61,200
2017	61,200
2018	61,200
2019	61,200
Thereafter	<u>132,600</u>
Total minimum lease payments	<u>\$ 435,000</u>

(9) Temporarily and Permanently Restricted Net Assets

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

Purpose restrictions	\$ <u>116,819</u>
Total temporarily restricted net assets	<u>\$ 116,819</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 will contribute 2.0% of base salary to each participating employee's 403(b) account. In addition, for every 1.0% of base salary that an employee contributes to his/her 403(b) account, the Foundation will contribute an additional 0.5% up to 1.0%. Thus, the Foundation will contribute a maximum of 3.0% of base salary to an employee's 403(b) account. Foundation contributions to the Plan for the year ended August 31, 2014 were \$13,138.

MAKE-A-WISH FOUNDATION® OF NORTHEAST NEW YORK

Notes to Financial Statements

August 31, 2014

(11) Concentrations of Credit Risk

In-kind contributions totaling \$164,196 were received from a single donor for the year ended August 31, 2014, which represents 8.8% of total public support. This donor is a business partner of the National Organization relative to support for Disney wishes, and a decrease in in-kind contributions would correlate only to a decrease in Disney wishes (and vice versa). Therefore management does not believe a decrease in contributions from this donor would adversely affect the Foundation.

(12) Litigation and Claims

The Foundation is not involved in any litigation and claims arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Foundation's financial position, change in net assets, or liquidity.

(13) Subsequent Events

The Foundation has evaluated subsequent events from the statement of financial position date through January 23, 2015, the date at which the financial statements were available to be issued.