MAKE-A-WISH FOUNDATION® OF VERMONT

Financial Statements

August 31, 2014

(With Independent Auditors' Report Thereon)

MAKE-A-WISH FOUNDATION® OF VERMONT

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CliftonLarsonAllen

CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Vermont
South Burlington, Vermont

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Vermont, 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 Vermont as of August 31, 2014, and change in its net assets 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

Phoenix, Arizona
February 18, 2015

MAKE-A-WISH FOUNDATION® OF VERMONT

Statement of Financial Position

August 31, 2014

Assets		
Cash and cash equivalents	$	332,100
Investments		682,747
Due from related entities		3,298
Prepaid expenses		10,238
Contributions receivable		13,270
Other assets		6,900
Investments held for long-term purposes		783,683
Property and equipment, net		7,258
Total assets	$	1,839,494
Liabilities and Net Assets		
Accounts payable and accrued expenses	$	30,514
Accrued pending wish costs		270,827
Due to related entities		943
Capital lease obligations		3,686
Total liabilities		305,970
Net assets:		
Unrestricted		713,251
Temporarily restricted		148,179
Permanently restricted		672,094
Total net assets		1,533,524
Total liabilities and net assets	$	1,839,494

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF VERMONT

Statement of Activities

Year Ended August 31, 2014

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenues, gains, and other support:				
Public support:				
Contributions	$ 535,728	13,270	55,000	603,998
Grants	20,000	—	—	20,000
Total public support	555,728	13,270	55,000	623,998
Internal Special events	274,428	23,320	—	297,748
Less costs of direct benefits to donors	(54,672)	—	—	(54,672)
Total special events	219,756	23,320	—	243,076
Investment income, net	82,843	88,476	—	171,319
Other income	1,899	—	—	1,899
Net assets released from restrictions	64,888	(64,888)	—	—
Total revenues, gains, and other support	925,114	60,178	55,000	1,040,292
Expenses:				
Program services:				
Wish granting	696,282	—	—	696,282
Total program services	696,282	—	—	696,282
Support services:				
Fundraising	157,537	—	—	157,537
Management and general	50,242	—	—	50,242
Total support services	207,779	—	—	207,779
Total program and support services expenses	904,061	—	—	904,061
Change in net assets	21,053	60,178	55,000	136,231
Net assets, beginning of the year	692,198	88,001	617,094	1,397,293
Net assets, end of the year	$ 713,251	148,179	672,094	1,533,524

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF VERMONT

Statement of Cash Flows

Year Ended August 31, 2014

Cash flows from operating activities:		
Change in net assets	$	136,231
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization		5,056
Contributions restricted for long-term investment		(55,000)
Net realized and unrealized gains on investments		(138,695)
Contributed property and equipment and stock		(4,004)
Changes in assets and liabilities:		
Contributions receivable		8,550
Due from related entities		11,379
Prepaid expenses		(8,588)
Other assets		(84)
Accounts payable and accrued expenses		19,276
Due to related entities		943
Accrued pending wish costs		128,152
Net cash provided by operating activities		103,216
Cash flows from investing activities:		
Purchases of investments		(184,228)
Proceeds from sales of investments		70,840
Net cash used in investing activities		(113,388)
Cash flows from financing activities:		
Contributions restricted for long-term investment		55,000
Principal payments on capital lease obligations		(992)
Net cash provided by financing activities		54,008
Net increase in cash and cash equivalents		43,836
Cash and cash equivalents, beginning of year		288,264
Cash and cash equivalents, end of year	$	332,100
Supplemental cash flow information:		
Donated property and equipment and stock	$	4,004
Cash paid for interest	$	545

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF VERMONT

Statement of Functional Expenses

Year Ended August 31, 2014

	Program services	Support services			
	Wish granting	Fundraising	Management and general	Total support services	Total
Direct costs of wishes	$ 506,249	—	—	—	506,249
Salaries, taxes, and benefits	95,227	81,460	31,384	112,844	208,071
Printing, subscriptions, and publications	4,475	4,045	183	4,228	8,703
Professional fees	19,555	18,114	5,063	23,177	42,732
Rent and utilities	9,112	7,722	2,970	10,692	19,804
Postage and delivery	215	1,676	154	1,830	2,045
Travel	3,998	5,468	3,694	9,162	13,160
Meetings and conferences	1,574	9,596	960	10,556	12,130
Office supplies	5,817	1,931	1,343	3,274	9,091
Communications	631	503	191	694	1,325
Advertising and media (cash)	1,425	525	—	525	1,950
Advertising and media (in-kind)	—	17,597	—	17,597	17,597
Repairs and maintenance	452	383	147	530	982
Membership dues	152	129	50	179	331
Grants and scholarships	25,000	—	—	—	25,000
National partnership dues	17,303	2,440	2,440	4,880	22,183
Miscellaneous	2,771	3,976	905	4,881	7,652
Depreciation and amortization	2,326	1,972	758	2,730	5,056
	$ 696,282	157,537	50,242	207,779	904,061

See accompanying notes to financial statements.

(1) Organization

Make-A-Wish Foundation® of Vermont (the Foundation) is a Vermont 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 $154,758 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 7 years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the lease. 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.

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.

(h) Revenue Recognition

Unconditional promises to give are recognized 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 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 statement 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	$	124,783
Advertising and media		16,612
Investments		2,006
Property and equipment		1,998
Other		1,472
Total	$	146,871
Special event revenue:		
Internal special events	$	29,027

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 $142,867 in 2014.

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 or public information 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. 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. The Foundation is no longer subject to U.S. federal income tax examinations by authorities for tax years before 2010.

(j) Functional Expenses

The Foundation performs three functions: wish granting, 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. During the fiscal year ended August 31, 2014, the Foundation incurred no significant joint costs for activities that included fundraising appeals.

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.

(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 continues to create a 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 tables 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 Audit and Finance committee, which oversees the Foundation's investment program in accordance with established guidelines.

Allocation of Investment Strategies

At August 31, 2014 all of the Foundation's investments were held in either money market accounts or publicly traded mutual funds classified within Level 1 of the fair value hierarchy. All investments held at August 31, 2014 are redeemable on a daily basis.

(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	Fair value measurements at August 31, 2014 using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Recurring:				
Investments and investments held for long-term purposes:				
Mutual funds:				
Bonds	$ 50,229	50,229	—	—
Exchange-traded funds:				
Domestic equity	32,496	32,496	—	—
International equity	86,875	86,875	—	—
Commodities	9,208	9,208	—	—
Bonds	34,822	34,822	—	—
Equity securities:				
U.S. corporate equity securities	412,007	412,007	—	—
Foreign equity securities	258,013	258,013	—	—
Corporate	519,193	519,193	—	—
Real estate securities	8,551	8,551	—	—
Collateralized debt obligations	10,854	10,854	—	—
Cash and Cash Equivalents	44,182	—	—	—
Total recurring	1,466,430	1,422,248	—	—
Total	$ 1,466,430	1,422,248	—	—

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

Interest and dividend income	$ 40,071
Realized and unrealized gains, net	138,695
Less investment expenses	(7,447)
Investment income, net	$ 171,319

(4) Contributions Receivable

The Foundations' contributions receivable as of August 31, 2014 was $13,270, which is due from one single donor and is all due within the next twelve months. Management has determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at 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 $80,002 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 $32,288 were paid from the Foundation to the National Organization during the year ended August 31, 2014.

Amounts due from and to related entities are as follows:

Due from National Organization	$	3,202
Due from other chapters		96
Total due from related entities	$	3,298
Due to National Organization	$	119
Due to other chapters		824
Total due to related entities	$	943

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 $19,434.

(6) Property and Equipment, Net

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

Computer equipment and software	$	14,812
Office furniture		7,742
Other equipment		11,869
		34,423
Less accumulated depreciation and amortization		(27,165)
Property and equipment, net	$	7,258

Depreciation and amortization expense totaled $5,056 for the year ended August 31, 2014. Computer equipment, software, and related items are depreciated over three years and office furniture and other equipment over five years.

(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 33 reportable pending wishes.

(8) Leases

The Foundation is obligated under various capital and operating leases for offices and equipment, which expire at various dates through May 31, 2017. As of August 31, 2014, the cost of leased property and equipment under capital lease was $6,015, and accumulated depreciation was $2,329. Total rent expense for all operating leases for the year ended August 31, 2014 totaled $19,800.

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

		Operating leases		Capital leases
Year ending August 31:				
2015	$	19,800		1,769
2016		19,800		1,633
2017		14,850		953
Total minimum lease payments	$	54,450		4,355
Less amounts representing interest				(669)
Present value of net minimum lease payments			$	3,686

(9) Endowments

The Foundation is subject to the enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and is required to make disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

The Foundation's endowment consists of approximately three individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets are reflected as investments held for long term purposes on the statement of financial position.

(a) Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the Vermont UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund

2. The purposes of the Foundation and the donor-restricted endowment fund

3. General economic conditions

4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Endowment net asset composition by type of fund as of August 31, 2014 is as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	$ —	111,589	672,094	783,683
Total funds	$ —	111,589	672,094	783,683

Changes in endowment net assets for the year ended August 31, 2014 are as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, beginning of year	$ —	42,555	617,094	659,649
Investment return:				
Investment income	—	20,311	—	20,311
Net appreciation (realized and unrealized)	—	68,165	—	68,165
Total investment return	—	88,476	—	88,476
Contributions			55,000	55,000
Appropriation of endowment assets for expenditure	—	(19,442)	—	(19,442)
Endowment net assets, end of year	$ —	111,589	672,094	783,683

Description of amounts classified as permanently restricted net assets and temporarily restricted net assets (endowment only):

Permanently restricted net assets:	
(1) The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	$ 672,094
Temporarily restricted net assets:	
(1) The portion of perpetual endowment funds subject to a time restriction under UPMIFA:	
Without purpose restrictions	$ 111,589

(b) Fund Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, there were no deficiencies of this nature that are reported in unrestricted net asset as of August 31, 2014.

(c) Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 4% annually. Actual returns in any given year may vary from this amount.

(d) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent constraints.

(e) Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year between 3% and 5% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 4% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

(10) Temporarily and Permanently Restricted Net Assets

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

Time restrictions	$	23,320
Purpose restrictions		13,270
Accumulated unspent return on endowment funds		111,589
Total temporarily restricted net assets	$	148,179

For the year ended August 31, 2014, permanently restricted net assets are restricted to:

Investments in perpetuity, the income from which is expendable to support any activities of the Foundation	$	672,094
	$	672,094

(11) Retirement Plan

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan upon the employees date of hire. 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 $3,215.

(12) 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.

In-kind contributions totaling $45,599 were received from a single donor for the year ended August 31, 2014, which represents 7% of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

(13) Subsequent Events

The Foundation has evaluated subsequent events from the statement of financial position date through February 18, 2015, the date at which the financial statements were available to be issued.