

**ANGELWISH, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2013**

ANGELWISH, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2013

TABLE OF CONTENTS

	<u>Page Number</u>
Independent Auditors' Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Cash Flows	4
Notes to Financial Statements	5-6
Supplemental Schedule of Functional Expenses	7

LEDERER, LEVINE & ASSOCIATES, LLC
CERTIFIED PUBLIC ACCOUNTANTS

KENNETH J. LEDERER, CPA
STEVEN J. LEVINE, CPA
DEREK A. FLANAGAN, CPA

1099 WALL STREET WEST - SUITE 280
LYNDHURST, NEW JERSEY 07071
(201) 933-3780
(201) 933-3575 FAX

149 MADISON AVENUE - 11th FLOOR
NEW YORK, NEW YORK 10016
(800) 269-3457 (NYC)

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Angelwish, Inc.

We have audited the accompanying financial statements of Angelwish, Inc. (the "Organization") which comprise the statement of financial position as of December 31, 2013, and the related statements of activities 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 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 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 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 Angelwish, Inc. as of December 31, 2013 and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Supplemental information.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule of functional expenses for the year ended December 31, 2013 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


Lederer, Levine & Associates, LLC

November 17, 2014

ANGELWISH, INC
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2013

ASSETS

Cash and cash equivalents (Notes B and E)	\$ 2,730
Contributions receivable (Note C)	1,979
Prepaid expenses	<u>1,896</u>
TOTAL ASSETS	\$ <u><u>6,605</u></u>

LIABILITIES

Accounts payable and accrued expenses	\$ <u>20,554</u>
TOTAL LIABILITIES	<u>20,554</u>

COMMITMENTS AND CONTINGENCIES (Note G)

NET ASSETS

Unrestricted (deficit)	<u>(13,949)</u>
TOTAL NET ASSETS (DEFICIT)	<u>(13,949)</u>
TOTAL LIABILITIES AND NET ASSETS	\$ <u><u>6,605</u></u>

The accompanying notes are an integral part of these financial statements.

ANGELWISH, INC
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED OF DECEMBER 31, 2013

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
SUPPORT AND REVENUE:			
Contributions (Note B)	\$ 141,190	\$	\$ 141,190
In kind contributions (Notes B and F)	275,595		275,595
Net assets released from restrictions	<u>10,000</u>	<u>(10,000)</u>	
TOTAL SUPPORT AND REVENUE	<u>426,785</u>	<u>(10,000)</u>	<u>416,785</u>
EXPENSES:			
Program services	377,817		377,817
Management and general	27,437		27,437
Fundraising	<u>29,413</u>		<u>29,413</u>
TOTAL EXPENSES	<u>434,667</u>		<u>434,667</u>
Change in Net Assets	(7,882)	(10,000)	(17,882)
Net Assets (Deficit) - Beginning of Year	<u>(6,067)</u>	<u>10,000</u>	<u>3,933</u>
Net Assets (Deficit) - End of Year	<u>\$ (13,949)</u>	<u>\$</u>	<u>\$ (13,949)</u>

The accompanying notes are an integral part of these financial statements.

ANGELWISH, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED OF DECEMBER 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (17,882)
Adjustments to reconcile change in net assets to net cash used by operating activities:	
Depreciation	1,015
Changes in operating assets and liabilities:	
Decrease in assets:	
Contributions receivable	13,997
Prepaid expenses	125
(Decrease) in liabilities:	
Accounts payable and accrued expenses	<u>(5,333)</u>
Net Cash Used by Operating Activities	<u>(8,078)</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(8,078)
Cash and cash equivalents - beginning of year	<u>10,808</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 2,730</u></u>

The accompanying notes are an integral part of these financial statements.

ANGELWISH, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013

Note A - Organization and Nature of Activities

Angelwish, Inc. (the "Organization"), founded in 1999, was incorporated in the State of Delaware as a United States not-for-profit organization with a global reach. The Organization is exempt from income taxes under Section 501 (c) (3) of the Internal Revenue Code. The Organization was created to help busy individuals grant the wishes of and support the basic needs of children living with chronic illnesses all over the world.

Note B - Summary of Significant Accounting Policies

Basis of Accounting

Angelwish prepares its financial statements using the accrual basis of accounting. The Organization follows accounting principles generally accepted in the United States of America ("U.S. GAAP") which include certain specialized requirements set forth in publications of the Financial Accounting Standards Board.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosure and/or recognition in the financial statements through the date that the financial statements were available to be issued, which date is November 17, 2014.

Accounting for Uncertainty in Income Taxes

The Organization's accounting policy is to provide liabilities for uncertain tax positions when a liability is probable and estimable. Management is not aware of any violation of its tax status as an organization exempt from income taxes, nor of any exposure to unrelated business income tax. The Organization is no longer subject to examination by federal tax authorities for fiscal years prior to 2010.

Cash and Cash Equivalents

The Organization considers all highly liquid investments with a maturity of less than three months to be cash equivalents.

In-Kind Contributions

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contributions of services are recognized if the services (a) create or enhance non-financial assets or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations.

Restricted Contributions

Contributions are recognized when the donor makes a promise to give the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on nature of restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Fair Value Measurements

Fair value measurements are based on 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.

ANGELWISH, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2013
(Continued)

Note B - Summary of Significant Accounting Policies (continued)

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation. Depreciation is provided for in amounts sufficient to relate the cost of depreciable assets to operations over their estimated useful lives.

Note C - Contributions Receivable

Contributions receivable consists of the following at December 31, 2013:

Unconditional promises to be collected in less than one year	\$ <u>1,979</u>
--	-----------------

Note D - Property and Equipment

Property and equipment consists of the following as at December 31, 2013:

Equipment and computers	\$ 12,786
Less: accumulated depreciation	<u>(12,786)</u>
	\$ <u>-0-</u>

Note E - Concentration of Credit Risk

The Organization maintains bank accounts at a bank which is an institution insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per depositor. At December 31, 2013, there were no uninsured cash balances.

Note F - In-Kind Contributions

The Organization received the following in-kind contributions for the year ended December 31, 2013:

Program supplies	\$ <u>275,595</u>
------------------	-------------------

Note G - Commitments and Contingencies

The Organization leased real property for program and administrative purposes. Rental expense amounted to \$5,171 for the year ended December 31, 2013. The Organization currently leases office space at a location in Manhattan, NY on a month to month basis.

ANGELWISH, INC
SUPPLEMENTAL SCHEDULE OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED OF DECEMBER 31, 2013

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Personnel:				
Salaries	\$ 66,500	\$ 14,250	\$ 14,250	\$ 95,000
Payroll taxes and employee benefits	<u>6,400</u>	<u>1,371</u>	<u>1,372</u>	<u>9,143</u>
Total personnel costs and related costs	72,900	15,621	15,622	104,143
Program activities and grants (Note F)	285,208			285,208
Professional and consulting fees		7,500	5,099	12,599
Occupancy (Note G)	3,668	786	786	5,240
Fundraising			4,375	4,375
Information technology expenses	4,718			4,718
Travel and meetings	1,407	1,406	1,407	4,220
Postage and printing	408	87	87	582
Office supplies and expenses	2,003	429	429	2,861
Insurance	1,536	329	329	2,194
Advertising	470	101	100	671
Telephone and utilities	3,177	681	681	4,539
Depreciation	711	152	152	1,015
Other	<u>1,611</u>	<u>345</u>	<u>346</u>	<u>2,302</u>
Total Expenses	\$ <u>377,817</u>	\$ <u>27,437</u>	\$ <u>29,413</u>	\$ <u>434,667</u>

See independent auditor's report.