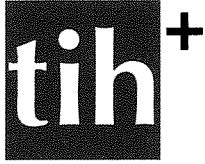


KONA HOSPITAL FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2015 and 2014
(WITH INDEPENDENT AUDITOR'S REPORT)



Taketa, Iwata, Hara & Associates, LLC

Certified Public Accountants & Consultants

101 Aupuni Street, Suite 139

Hilo, Hawaii 96720-4260

INDEPENDENT AUDITOR'S REPORT ON THE FINANCIAL STATEMENTS

The Board of Trustees
Kona Hospital Foundation:

Report on the Financial Statements

We have audited the accompanying financial statements of Kona Hospital Foundation (Foundation), which comprise the statements of financial position as of December 31, 2015 and 2014, and 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

The Foundation's 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 an 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 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 the Foundation's 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 Kona Hospital Foundation, 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.

Taketa, Iwata, Hara & Associates, LLC

Hilo, Hawaii
October 31, 2016

KONA HOSPITAL FOUNDATION

Statements of Financial Position

December 31, 2015 and 2014

<u>Assets</u>	<u>2015</u>	<u>2014</u>
Current assets:		
Cash and cash equivalents	\$ 866,091	\$ 545,829
Other receivable	3,325	3,550
Auction items	4,372	2,490
Investments in marketable securities	544,165	725,223
Total current assets	1,417,953	1,277,092
Office equipment	5,972	5,972
Less accumulated depreciation	5,016	4,527
Net office equipment	956	1,445
Unconditional promises to give	144,972	191,599
Beneficial interest in perpetual trust	1,621,000	1,600,000
Total assets	<u>\$ 3,184,881</u>	<u>\$ 3,070,136</u>
<u>Liabilities and Net Assets</u>		
Current liabilities:		
Accounts payable	\$ 78	\$ 998
Unconditional promises made	329,197	335,447
Total current liabilities	329,275	336,445
Net assets:		
Unrestricted:		
Board designated	150,000	12,300
Unreserved	590,885	785,454
Total unrestricted	740,885	797,754
Temporarily restricted	493,721	335,937
Permanently restricted	1,621,000	1,600,000
Total net assets	2,855,606	2,733,691
Total liabilities and net assets	<u>\$ 3,184,881</u>	<u>\$ 3,070,136</u>

See accompanying notes to financial statements.

KONA HOSPITAL FOUNDATION

Statement of Activities

For the year ended December 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support and revenues:				
Donations	\$ 23,787	\$ 194,343	\$ -	\$ 218,130
Event income	38,865	-	-	38,865
Unrealized gain on valuation of perpetual trust	-	-	21,000	21,000
Alberta E. Brown Trust income	43,716	-	-	43,716
Investment loss	(39,260)	-	-	(39,260)
Interest income and dividends	13,354	-	-	13,354
Other income	3,186	-	-	3,186
	<hr/>	<hr/>	<hr/>	<hr/>
Total public support and revenues	83,648	194,343	21,000	298,991
Net assets released from restrictions:				
Restrictions satisfied by payments	36,559	(36,559)	-	-
Expenses:				
Program services	56,966	-	-	56,966
Support services	88,221	-	-	88,221
Fundraising	31,889	-	-	31,889
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	177,076	-	-	177,076
Total increase (decrease) in net assets	(56,869)	157,784	21,000	121,915
Net assets at beginning of year, as restated	<hr/> 797,754	<hr/> 335,937	<hr/> 1,600,000	<hr/> 2,733,691
Net assets at end of year	<hr/> <u>\$ 740,885</u>	<hr/> <u>\$ 493,721</u>	<hr/> <u>\$ 1,621,000</u>	<hr/> <u>\$ 2,855,606</u>

See accompanying notes to financial statements.

KONA HOSPITAL FOUNDATION

Statement of Activities

For the year ended December 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Public support and revenues:				
Donations	\$ 29,968	\$ 254,599	\$ -	\$ 284,567
Event income	283,474	-	-	283,474
Unrealized loss on valuation of perpetual trust	-	-	36,000	36,000
Alberta E. Brown Trust income	42,963	-	-	42,963
Investment gains	20,865	-	-	20,865
Interest income and dividends	14,237	-	-	14,237
Other income	6,084	-	-	6,084
	<hr/>	<hr/>	<hr/>	<hr/>
Total public support and revenues	397,591	254,599	36,000	688,190
Net assets released from restrictions:				
Restrictions satisfied by payments	45,370	(45,370)	-	-
Expenses:				
Program services	289,028	-	-	289,028
Support services	82,161	-	-	82,161
Fundraising	190,594	-	-	190,594
	<hr/>	<hr/>	<hr/>	<hr/>
Total expenses	561,783	-	-	561,783
Total increase (decrease) in net assets	(118,822)	209,229	36,000	126,407
Net assets at beginning of year	916,576	126,708	1,564,000	2,607,284
Net assets at end of year, as restated	<u>\$ 797,754</u>	<u>\$ 335,937</u>	<u>\$ 1,600,000</u>	<u>\$ 2,733,691</u>

See accompanying notes to financial statements.

KONA HOSPITAL FOUNDATION

Statement of Functional Expenses

For the year ended December 31, 2015

	Program services	Supporting Activities		Total
		Management and General	Fundraising	
Support to Kona Hospital	\$ 48,860	\$ -	\$ -	\$ 48,860
Payroll leasing	8,058	56,404	16,115	80,577
Event catering	-	-	8,974	8,974
Professional fees	-	21,295	850	22,145
Event entertainment	-	-	500	500
Event other costs	-	-	144	144
Taxes	-	-	2,056	2,056
Merchant service fees	-	4,934	1,902	6,836
Printing and reproduction	-	2,127	-	2,127
Postage	-	-	975	975
Event travel	-	-	177	177
Office supplies	-	285	-	285
Insurance	-	1,225	-	1,225
Other	-	1,706	-	1,706
Total expenses before depreciation	<u>56,918</u>	<u>87,976</u>	<u>31,693</u>	<u>176,587</u>
Depreciation expense	<u>48</u>	<u>245</u>	<u>196</u>	<u>489</u>
	<u>\$ 56,966</u>	<u>\$ 88,221</u>	<u>\$ 31,889</u>	<u>\$ 177,076</u>

See accompanying notes to financial statements.

KONA HOSPITAL FOUNDATION

Statement of Functional Expenses

For the year ended December 31, 2014

	Program services	Supporting Activities		Total
		Management and General	Fundraising	
Support to Kona Hospital	\$ 281,458	\$ -	\$ -	\$ 281,458
Auction items	-	-	79,806	79,806
Payroll leasing	7,505	37,530	30,024	75,059
Event catering	-	-	47,080	47,080
Professional fees	-	21,736	625	22,361
Event entertainment	-	-	10,980	10,980
Event other costs	-	-	8,227	8,227
Taxes	-	236	6,516	6,752
Merchant service fees	-	610	5,390	6,000
Printing and reproduction	17	3,677	-	3,694
Postage	-	3,569	54	3,623
Event travel	-	-	1,696	1,696
Office supplies	-	1,693	-	1,693
Insurance	-	1,151	-	1,151
Other	-	11,714	-	11,714
Total expenses before depreciation	<u>288,980</u>	<u>81,916</u>	<u>190,398</u>	<u>561,294</u>
Depreciation expense	<u>48</u>	<u>245</u>	<u>196</u>	<u>489</u>
	<u>\$ 289,028</u>	<u>\$ 82,161</u>	<u>\$ 190,594</u>	<u>\$ 561,783</u>

See accompanying notes to financial statements.

KONA HOSPITAL FOUNDATION

Statements of Cash Flows

For the years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Change in cash and cash equivalents:		
Cash flows from operating activities:		
Cash received from support and revenues	\$ 350,749	\$ 652,170
Cash paid for expenses	(185,639)	(681,355)
Interest received	13,354	13,701
	<u>178,464</u>	<u>(15,484)</u>
Net cash provided by (used) for operating activities		
Cash flows from investing activities:		
Proceeds from the sale of investments	244,634	364,922
Purchase of investments	(102,836)	(355,856)
	<u>141,798</u>	<u>9,066</u>
Net cash provided by investing activities		
Net increase (decrease) in cash	320,262	(6,418)
Cash and cash equivalents at beginning of year	<u>545,829</u>	<u>552,247</u>
Cash and cash equivalents at end of year	<u>\$ 866,091</u>	<u>\$ 545,829</u>
Reconciliation of change in net assets to net cash used by operating activities:		
Increase in net assets	\$ 121,915	\$ 126,407
Adjustments to reconcile change in net assets to net cash provided by (used) in operating activities:		
Investment loss (gain)	39,260	(21,401)
Depreciation expense	489	489
Unrealized gain on valuation of perpetual trust	(21,000)	(36,000)
Noncash donations received	-	(50,965)
Noncash items auctioned	-	49,710
Effect of changes in other balance sheet accounts:		
Other receivable	225	600
Auction items	(1,882)	-
Unconditional promises to give	46,627	(166,599)
Accounts payable	(920)	(3,172)
Unconditional promises made	(6,250)	85,447
	<u>56,549</u>	<u>(141,891)</u>
Total adjustments		
Net cash provided by (used in) operating activities	<u>\$ 178,464</u>	<u>\$ (15,484)</u>

Supplemental Disclosure of Cash Flow Information:

There were no non-cash investing and financing activities in 2015 and 2014.

See accompanying notes to financial statements.

KONA HOSPITAL FOUNDATION

Notes to Financial Statements

December 31, 2015 and 2014

(1) Organization

Nature of Operations

The Kona Hospital Foundation (Foundation) was established in July 1984 for the purpose of providing funding for improvements and equipment at the Kona Community Hospital, located in Kealahou on the Big Island of Hawaii. The Foundation is a nonprofit organization and relies primarily on donations and fundraisers to fund its operations.

(2) Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles in the United States of America. Under this method of accounting, revenue is recognized when earned rather than when received and expenses are recognized when incurred rather than when paid.

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 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 assumptions and estimates.

Financial Statement Presentation

The Foundation reports information regarding its financial position and activities according to three classes of net assets:

Unrestricted net assets – Net assets that are not subject to donor imposed stipulations and includes those assets over which the Board of Trustees designated for specific purposes.

Temporarily restricted net assets – Net assets subject to donor imposed stipulations that will be met either by actions of the Foundation and/or the passage of time. Temporarily restricted contributions for which the restrictions are satisfied in the same year the contribution is received are reflected as unrestricted net assets in the accompanying financial statements.

Permanently restricted net assets – Net assets subject to donor imposed stipulations that are maintained permanently by the Foundation. Generally, the donors of these assets permit the Foundation to use all or part of the income earned for general or specific purposes.

The Foundation had unrestricted, temporarily restricted, and permanently restricted net asset as of December 31, 2015 and 2014.

KONA HOSPITAL FOUNDATION

Notes to Financial Statements, Continued

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Office Equipment

Office equipment are stated at cost or fair value at date of donation. All assets acquired by the Foundation whose initial value or cost exceeds \$5,000 are capitalized and depreciated. Major renewals and betterments are also capitalized, while repairs and maintenance, which do not improve or extend the lives of assets, are charged to expense in the statement of activities.

Depreciation is calculated by the straight-line method over the estimated useful lives of the equipment. Depreciation lives are estimated at 5 years. Depreciation expense was \$489 for each of the years ended December 31, 2015 and 2014.

Fair Value Measurement

The Organization has implemented FASB ASC 820-10-50-1 which establishes a fair value hierarchy for inputs used in measuring fair market value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are those that market participants would use in pricing the asset or liability based on the best information available in the circumstances. This fair value hierarchy consists of three broad levels:

- Level 1 inputs consist of unadjusted quoted prices in active markets such as stock exchanges for identical assets and have the highest priority.
- Level 2 inputs consist of significant other observable inputs such as quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset and liability, either directly or indirectly, for substantially the full term of the financial instrument.
- Level 3 inputs consist of significant unobservable inputs and include situations where there is little, if any, market activity for the investment. The inputs require significant judgement or estimates, such as those associated with discounted cash flow methodologies and appraisals.

Investments are measured at fair value on a recurring basis are valued using Level 1 inputs. There are no other assets or liabilities measured at fair value on a recurring or nonrecurring basis.

Donations

All donations are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. However, if a restriction is fulfilled in the same time period in which the donation is received, the Foundation reports the support as unrestricted.

KONA HOSPITAL FOUNDATION

Notes to Financial Statements, Continued

Promises to Give

Contributions are recognized when the donor makes a promise to give to the Foundation that is, in substance, unconditional at the time of the promise. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

The Foundation records unconditional promises to give that are for a period of less than one year at its net realizable value. The Foundation records unconditional promises to give that are for a period of more than one year at the present value of the future payments.

Unconditional Promises Made

Contributions made are recognized as expenses in the period made and as increases of liabilities depending on the form of the benefits given. The Foundation is a donor to Kona Community Hospital and unconditional promises made are accrued when the Foundation notifies Kona Community Hospital of their intent to reimburse the Hospital.

Noncash contributions

Support arising from donated goods, property and services is recognized in the financial statements at its fair value. Such contributions may be reflected in the financial statements if the services received (a) create or enhance nonfinancial assets or (b) required specialized skills that are provided by individuals possessing those skills that would typically need to be purchased if not provided by donation. The Foundation received a substantial amount of services donated by volunteers interested in the Foundation's programs. No amounts have been reflected in the accompanying financial statements for donated services as none of the services performed for the Foundation fulfilled the required criteria.

The Foundation received substantial noncash donated items such as tickets, gift certificates, works of art, and merchandise that are to be used for fundraising purposes. These noncash donated items are valued at the estimated fair value at the time the items are received from the donor. There were no noncash donations received during the year ended December 31, 2015. The total value of items donated to the Foundation in 2014 was \$50,965. The total noncash donated items sold during the year ended December 31, 2014 was \$49,710 and was included in auction items expense. The total value of unsold items was \$4,372 and \$2,490 as of December 31, 2015 and 2014, respectively.

Functional Allocation of Expenses

The costs of providing various donations to the Hospital and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among programs, supporting services, and fundraising.

Advertising Costs

Advertising costs are expensed as incurred. The Foundation did not incur any advertising costs in 2015 and 2014.

KONA HOSPITAL FOUNDATION

Notes to Financial Statements, Continued

General Excise Tax

Hawaii general excise tax is imposed on fundraising income at four percent, which amounted to \$2,056 and \$6,516 for the years ended December 31, 2015 and 2014, respectively. General excise tax was reported as part of fundraising expenses in the accompanying Statement of Functional Expense.

Tax Status

The Foundation is classified as a tax exempt organization other than a private foundation under Section 501 (c)(3) of the U.S. Internal Revenue Code and is exempt from Federal and State income taxes. The Foundation files income tax returns in the U.S federal jurisdiction. With few exceptions, the Foundation is no longer subject to U.S federal income tax examinations by tax authorities for years before 2012.

In assessing the realization of tax benefits, management of the Foundation considers whether it is more likely than not that some portion or all of any tax positions will not be realized. The ultimate realization of such tax positions is dependent upon the nature of future income. Management considers projected future income, and tax planning strategies in making this assessment. Based upon the level of historical income and projections for future income, management believes it is more than likely that the Foundation will realize all tax benefits. Management believes that its tax-exempt status would be sustained upon examination.

(3) Unconditional Promises to Give

Unconditional promises to give consist of the following:

As of December 31:	2015	2014
Unconditional promises	\$ 184,472	\$ 232,599
Less: unamortized discount	39,500	41,000
	\$ 144,972	\$ 191,599
Amounts due in		
Less than one year	\$ -	\$ -
One to five years – net of discount	119,972	166,599
Thereafter	25,000	25,000
Total unconditional promises to give	\$ 144,972	\$ 191,599

Unconditional promises to give are from businesses and individuals located primarily on the island of Hawaii. In 2010 the Foundation received an unconditional promise to give from the Robert McClean Trust (Trust). The Trust gave the Foundation a 10% undivided interest in a \$250,000 note receivable. The present value of this multiyear unconditional promise to give is based on an interest rate of 6%, the stated rate of the underlying note receivable. The present value as of December 31, 2015 and 2014 amounted to \$25,000. The Foundation will receive \$1,500 per year until 2058, which will be recorded as part of unrestricted donations in the Statement of Activities.

KONA HOSPITAL FOUNDATION

Notes to Financial Statements, Continued

In 2014 the Foundation received an unconditional promise to give from the Stolaroff Foundation in the amount of \$250,000. In March of 2014 the Foundation received \$75,000 of the promise with the remaining balance of \$175,000 to be paid over a period of five years as of December 31, 2014. In May of 2015, the Foundation received \$50,000, which resulted in a remaining balance of \$125,000 to be paid over a period of four years as of December 31, 2015. The unconditional promise to give as of December 31, 2015 and 2014 was discounted based on an interest rate of 1.65% until the last payment is made during the year ending December 31, 2019. The present value of the unconditional promise to give as of December 31, 2015 and 2014 amounted to \$119,972 and \$166,599, respectively. The amortization of the discount was included as part of temporarily restricted donations in the Statement of Activities.

(4) Investments in Marketable Securities

The investments in marketable securities owned by the Foundation consisted of the following:

	Cost	Cumulative Unrealized Gain	Fair Value Measurements at Reporting Date Using Quoted Prices in Active Markets for Identical Assets (Level 1)
At December 31, 2015:			
Exchange traded funds and closed end funds	\$ 280,564	\$ 10,237	\$ 290,801
Stocks	148,215	105,149	253,364
Total	<u>\$ 428,779</u>	<u>\$ 115,386</u>	<u>\$ 544,165</u>
	Cost	Cumulative Unrealized Gain	Fair Value Measurements at Reporting Date Using Quoted Prices in Active Markets for Identical Assets (Level 1)
At December 31, 2014:			
Exchange traded funds and closed end funds	\$ 275,559	\$ 87,732	\$ 363,291
Stocks	325,258	36,674	361,932
Total	<u>\$ 600,817</u>	<u>\$ 124,406</u>	<u>\$ 725,223</u>

(5) Unconditional Promises Made

The Foundation made unconditional promises to give the Kona Community Hospital in 2014 and 2013 for the operating room technology and the Cancer Center projects. The outstanding amounts as of December 31, 2015 for the operating room technology and the Cancer Center projects were \$96,742 and \$232,455, respectively. The outstanding amounts as of December 31, 2014 for the operating room technology and the Cancer Center projects were \$102,992 and \$232,455, respectively.

KONA HOSPITAL FOUNDATION

Notes to Financial Statements, Continued

(6) Board Designated Net Assets

The Board of Trustees voted to designate \$150,000 of unrestricted net assets to the Cancer Center at its February 10, 2015 Board of Trustees meeting. There was no commitment made to the Kona Community Hospital related to this designation. This resulted in Board Designated Unrestricted Net Assets of \$150,000 as of December 31, 2015.

During the year ended December 31, 2012, the Board of Trustees designated \$12,300 of unrestricted net assets for the Obstetrician Daddy Beds program. This resulted in Board Designated Unrestricted Net Assets of \$12,300 as of December 31, 2014. The funds for this designation were disbursed during the year ended December 31, 2015.

(7) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following uses:

At December 31:	<u>2015</u>	<u>2014</u>
Cancer Center/Hydrocephalus Program	\$ 228,101	\$ 242,599
Telemetry System	187,500	-
Chapel Fund	71,125	71,125
Infusion Irrigation Pumps	4,000	4,000
Obstetrics Department: Baby Warmers	1,950	4,168
The Cancer Center: Infusion/Chemotherapy	1,045	1,045
Short Stay Waiting Area Renovation	-	13,000
Total	<u>\$ 493,721</u>	<u>\$ 335,937</u>

(8) Permanently Restricted Net Assets

Permanently restricted net assets are comprised of the Alberta E. Brown Trust. In 1991, the Foundation was named as a beneficiary of the Trust in perpetuity as long as it remains a non-private tax exempt organization. The present value of the perpetual trust was estimated using a five year moving average of the annual distributions and a five year moving average of the 30 year Treasury bill rate. The five year moving average interest rate was 3.11% in 2015 and 3.38% in 2014. The five year moving average of the distributed earnings received from the Trust amounted to \$50,420 in 2015 and \$54,083 in 2014.

KONA HOSPITAL FOUNDATION

Notes to Financial Statements, Continued

It is reasonably possible that a material change in the estimates regarding the beneficial interest in the perpetual trust may occur in the near term. Permanently restricted net assets changes are as follows:

	<u>Beneficial Interest in Perpetual Trust</u>
Balance at January 1, 2014	\$ 1,564,000
Investment earnings	42,963
Earnings transferred to unrestricted and temporarily restricted net assets	(42,963)
Unrealized gain on valuation of perpetual trust	<u>36,000</u>
Balance at December 31, 2014	<u>\$ 1,600,000</u>
Balance at January 1, 2015	\$ 1,600,000
Investment earnings	43,716
Earnings transferred to unrestricted and temporarily restricted net assets	(43,716)
Unrealized gain on valuation of perpetual trust	<u>21,000</u>
Balance at December 31, 2015	<u>\$ 1,621,000</u>

(9) Concentration Risk

The Foundation is dependent on donations, fundraising, and investment earnings to fund operations and its contributions to the Kona Community Hospital. Significant changes in these revenue sources may have an impact on the operations of the Foundation and its ability to make contributions to the Kona Community Hospital.

KONA HOSPITAL FOUNDATION

Notes to Financial Statements, Continued

(10) Prior Period Adjustment

The Organization's financial statements for the year ended December 31, 2014, classified a temporarily restricted donation as an unrestricted donation. Management recorded an adjustment in the accompanying financial statements as of December 31, 2014.

<u>Unrestricted net assets:</u>	
Unrestricted net assets at December 31, 2014	\$ 1,039,353
Adjustment for temporarily restricted donation	<u>(241,599)</u>
Unrestricted net assets at December 31, 2014, as restated	<u>\$ 797,754</u>
<u>Temporarily restricted net assets:</u>	
Temporarily restricted net assets at December 31, 2014	\$ 94,338
Adjustment for temporarily restricted donation	<u>241,599</u>
Temporarily restricted net assets at December 31, 2014, as restated	<u>\$ 335,937</u>

(11) Changes in Presentation of Comparative Statements

Certain reclassifications have been made to the 2014 financial statements in order to conform to the 2015 presentation shown. These reclassifications did not have any effect on the Organization's financial position, changes in net assets or cash flows as of December 31, 2014 or the year then ended.

(12) Subsequent events

Management has evaluated subsequent events through October 31, 2016, the date the financial statements were available to be issued. There were no subsequent events that require adjustments to or disclosure in the financial statements, except for the following.