MAKE-A-WISH FOUNDATION® OF SOUTHERN NEVADA

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2015 AND 2014

MAKE-A-WISH FOUNDATION® OF SOUTHERN NEVADA
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CliftonLarsonAllen LLP
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Southern Nevada
Phoenix, Arizona

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Southern Nevada, which comprise the statements of financial position as of August 31, 2015 and 2014, and the related statements of activities, cash flows, and functional expense, for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits 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 Southern Nevada

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 Southern Nevada as of August 31, 2015 and 2014, and change 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.

CliftonLarsonAllen LLP

Phoenix, Arizona
February 9, 2016

MAKE-A-WISH FOUNDATION® OF SOUTHERN NEVADA
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	$ 26,018	$ 251,557
Investments	1,748,742	1,895,917
Due from Related Entities	55,245	70,381
Prepaid Expenses	37,105	3,247
Contributions Receivable, Net	90,499	49,428
Other Assets	4,161	14,065
Property and Equipment, Net.	50,858	41,270
Total Assets	$ 2,012,628	$ 2,325,865
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	$ 114,839	$ 84,984
Accrued Pending Wish Costs	1,091,668	342,286
Due to Related Entities	15,125	5,143
Capital Lease Obligations	12,302	15,152
Total Liabilities	1,233,934	447,565
NET ASSETS		
Unrestricted	684,458	1,756,947
Temporarily Restricted	94,236	121,353
Total Net Assets	778,694	1,878,300
Total Liabilities and Net Assets	$ 2,012,628	$ 2,325,865

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTHERN NEVADA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Public Support:			
Contributions, Net of Write-Offs	$ 1,446,609	$ 72,891	$ 1,519,500
Grants	33,000	595	33,595
Total Public Support	1,479,609	73,486	1,553,095
Internal Special Events	623,371	19,250	642,621
Less Costs of Direct Benefits to Donors	(82,795)	-	(82,795)
Total Special Events	540,576	19,250	559,826
Investment Loss, Net	(23,363)	-	(23,363)
Other Income	7,350	-	7,350
Net Assets Released from Restrictions	119,853	(119,853)	-
Total Revenues, Gains, and Other Support	2,124,025	(27,117)	2,096,908
EXPENSES			
Program Services:			
Wish Granting	2,531,893	-	2,531,893
Total Program Services	2,531,893	-	2,531,893
Support Services:			
Fundraising	501,896	-	501,896
Management and General	162,725	-	162,725
Total Support Services	664,621	-	664,621
Total Expenses and Losses	3,196,514	-	3,196,514
Change in Net Assets	(1,072,489)	(27,117)	(1,099,606)
Net Assets - Beginning of Year	1,756,947	121,353	1,878,300
NET ASSETS - END OF YEAR	$ 684,458	$ 94,236	$ 778,694

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTHERN NEVADA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2014

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Public Support:			
Contributions, Net of Write-Offs	$ 1,008,365	$ 27,003	$ 1,035,368
Grants	9,175	-	9,175
Total Public Support	1,017,540	27,003	1,044,543
Internal Special Events	621,701	61,017	682,718
Less Costs of Direct Benefits to Donors	(138,154)	-	(138,154)
Total Special Events	483,547	61,017	544,564
Investment Income, Net	267,095	-	267,095
Other Income	12,920	-	12,920
Net Assets Released from Restrictions	248,644	(248,644)	-
Total Revenues, Gains, and Other Support	2,029,746	(160,624)	1,869,122
EXPENSES			
Program Services:			
Wish Granting	1,426,581	-	1,426,581
Total Program Services	1,426,581	-	1,426,581
Support Services:			
Fundraising	416,789	-	416,789
Management and General	186,945	-	186,945
Total Support Services	603,734	-	603,734
Total Expenses and Losses	2,030,315	-	2,030,315
Change in Net Assets	(569)	(160,624)	(161,193)
Net Assets - Beginning of Year	1,757,516	281,977	2,039,493
NET ASSETS - END OF YEAR	$ 1,756,947	$ 121,353	$ 1,878,300

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTHERN NEVADA
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (1,099,606)	$ (161,193)
Adjustments to reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization	15,267	14,434
Bad Debt Expense and Other	6,050	-
Net Realized and Unrealized (Gains) Losses on Investments	51,052	(234,371)
Contributed Property and Equipment, Inventory and Investments	(7,191)	(9,850)
Change in Attrition on Accrued Pending Wish Costs	(8,714)	989
Changes in Assets and Liabilities:		
Contributions Receivable	(47,121)	139,458
Due from Related Entities	15,136	28,921
Prepaid Expenses	(33,858)	7,890
Other Assets	9,904	7,031
Accounts Payable and Accrued Expenses	29,855	35,004
Accrued Pending Wish Costs	758,096	26,202
Due to Related Entities	9,982	(5,886)
Net Cash Used in Operating Activities	(301,148)	(151,371)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(1,039,505)	(876,060)
Proceeds from Sales of Investments	1,135,628	953,842
Purchases of Property and Equipment	(17,664)	(12,689)
Net Cash Provided by Investing Activities	78,459	65,093
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Lease Obligations	(2,850)	(1,123)
Net Cash Used in Financing Activities	(2,850)	(1,123)
Net Decrease in Cash and Cash Equivalents	(225,539)	(87,401)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	251,557	338,958
CASH AND CASH EQUAVALENTS - END OF YEAR	$ 26,018	$ 251,557
SUPPLEMENTAL CASH FLOW INFORMATION:		
Cash Paid for Interest	$ 1,110	$ 528
Acquisition of Equipment Through Capital Lease	$ -	$ 16,275
Acquisition of Donated Equipment	$ 7,191	$ -

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTHERN NEVADA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2015

	Program Services		Support Services		
	Wish Granting	Fundraising	Management and General	Total Support Services	Total
Direct Costs of Wishes	$ 1,868,987	$ -	$ -	$ -	$ 1,868,987
Salaries, Taxes, and Benefits	432,410	228,658	115,804	344,462	776,872
Printing, Subscriptions, and Publications	4,706	9,054	456	9,510	14,216
Professional Fees	44,216	56,603	15,979	72,582	116,798
Rent and Utilities	52,275	22,555	8,460	31,015	83,290
Postage and Delivery	1,662	4,446	310	4,756	6,418
Travel	6,110	6,522	2,224	8,746	14,856
Meetings and Conferences	29,448	15,141	3,657	18,798	48,246
Office Supplies	16,391	5,105	1,787	6,892	23,283
Communications	8,950	3,429	1,148	4,577	13,527
Advertising and Media (Cash)	3,565	15,246	-	15,246	18,811
Advertising and Media (In-Kind)	2,500	99,649	-	99,649	102,149
Repairs and Maintenance	115	49	266	315	430
Bad Debt Expense	-	6,050	-	6,050	6,050
Membership Dues	436	148	55	203	639
National Partnership Dues	38,099	10,721	5,702	16,423	54,522
Miscellaneous	12,405	14,398	5,350	19,748	32,153
Depreciation and Amortization	9,618	4,122	1,527	5,649	15,267
	$ 2,531,893	$ 501,896	$ 162,725	$ 664,621	$ 3,196,514

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTHERN NEVADA
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	$ 865,925	$ -	$ -	$ -	$ 865,925
Salaries, Taxes, and Benefits	319,431	192,987	103,185	296,172	615,603
Printing, Subscriptions, and Publications	6,072	11,626	712	12,338	18,410
Professional Fees	32,140	42,585	33,234	75,819	107,959
Rent and Utilities	45,122	27,263	14,585	41,848	86,970
Postage and Delivery	1,354	2,270	485	2,755	4,109
Travel	5,119	2,873	4,131	7,004	12,123
Meetings and Conferences	22,366	18,933	4,181	23,114	45,480
Office Supplies	32,114	7,217	1,347	8,564	40,678
Communications	7,230	3,646	1,951	5,597	12,827
Advertising and Media (Cash)	-	5,000	-	5,000	5,000
Advertising and Media (In-Kind)	-	81,460	-	81,460	81,460
Repairs and Maintenance	916	537	302	839	1,755
Membership Dues	173	395	56	451	624
Grants and Scholarships	20,000	-	-	-	20,000
National Partnership Dues	53,206	7,503	7,503	15,006	68,212
Miscellaneous	7,936	7,962	12,848	20,810	28,746
Depreciation and Amortization	7,477	4,532	2,425	6,957	14,434
	$ 1,426,581	$ 416,789	$ 186,945	$ 603,734	$ 2,030,315

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Southern Nevada (the Foundation) is a Nevada 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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) applicable to not-for-profit entities.

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, 2015 and 2014 is $30,225 and $205,431, respectively, of money market mutual funds.

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.

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 and contributions are written off when deemed uncollectible.

Property and Equipment, Net

Property and equipment having a unit cost greater than $500 and 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 5 years. Leasehold improvements are amortized over the shorter of the estimated useful lives of the assets or the remaining terms of the leases. 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Currently, the Foundation has no permanently restricted net assets.
- **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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Foundation received in-kind contributions of assets and services that are included in the accompanying statements of activities as follows:

	2015	2014
Contributions:		
Wish Related	$ 593,889	$ 359,058
Rent and Utilities	1,290	360
Advertising and Media	20,163	-
Property and Equipment	7,191	9,850
Other	14,794	15,007
Total	$ 637,327	$ 384,275
Special Event Revenue		
Internal Special Events	$ 130,571	$ 188,948

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 $630,136 and $374,425 in 2015 and 2014, respectively, with the difference recorded as property and equipment, net.

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 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.

Income Taxes

The Foundation is a not-for-profit organization exempt from federal income and Nevada taxes under the provisions of Internal Revenue Code Section 501(c)(3) and the Nevada Revised Statutes. 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management believes that no uncertain tax positions exist for the Foundation at August 31, 2015 and 2014.

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 years ended August 31, 2015 and 2014, the Foundation incurred no significant joint costs for activities that include 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.

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 created a high degree of uncertainty in those estimates and assumptions.

NOTE 3 FAIR VALUE MEASUREMENTS

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, 2015 and 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.

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

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, 2015:

	Fair Value Measurements at August 31, 2015 Using			
	(Level 1)	(Level 2)	(Level 3)	Total
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
International Equity	$ 15,292	$ -	$ -	$ 15,292
Exchange-Traded Funds:				
Domestic Equity	89,379	-	-	89,379
Real Estate	238,024	-	-	238,024
Bonds	428,802	-	-	428,802
Equity Securities:				
U.S. Corporate Equity Securities	845,044	-	-	845,044
Foreign Equity Securities	132,201	-	-	132,201
Total Recurring	$ 1,748,742	$ -	$ -	$ 1,748,742

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:

	Fair Value Measurements at August 31, 2014 Using			
	(Level 1)	(Level 2)	(Level 3)	Total
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
International Equity	$ 19,995	$ -	$ -	$ 19,995
Exchange-Traded Funds:				
Domestic Equity	96,397	-	-	96,397
Real Estate	247,290	-	-	247,290
Bonds	470,659	-	-	470,659
Equity Securities:				
U.S. Corporate Equity Securities	828,750	-	-	828,750
Foreign Equity Securities	232,826	-	-	232,826
Total Recurring	$ 1,895,917	$ -	$ -	$ 1,895,917

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Total investment income, gains, and losses for the years ended August 31, 2015 and 2014 consist of the following:

	2015	2014
Interest and Dividend Income	$ 44,589	$ 49,329
Realized and Unrealized Gains (Losses), Net	(51,052)	234,371
less Investment Expenses	(16,900)	(16,605)
Investment Income (Loss), Net	$ (23,363)	$ 267,095

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable at August 31, 2015 and 2014 were $90,499 and $49,428, respectively, and are all due within one year. Management has determined that all contributions receivable are fully collectible; therefore no allowance for uncollectible accounts is considered necessary at August 31, 2015 and 2014.

NOTE 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 years ended August 31, 2015 and 2014, respectively, the Foundation received $343,534 and $303,988, respectively, from these national revenue streams.

Conversely, the chapter pays amounts to the National Organization for annual dues, insurance, and other miscellaneous ancillary expenses that Make-A-Wish Foundation of America pays on behalf of the Foundation and for services provided by the National Organization. Amounts totaling $88,808 and $132,628 were paid from the Foundation to the National Organization during the years ended August 31, 2015 and 2014, respectively.

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 $7,350 and $12,900 for the years ended August 31, 2015 and 2014, respectively, which is recorded in the accompanying statements of activities as other income.

NOTE 5 TRANSACTIONS WITH RELATED ENTITIES

Amounts due from and to related entities are as follows:

	2015	2014
Balance at August 31:		
Due from National Organization	$ 48,131	$ 63,483
Due from Other Chapters	7,114	6,898
Total Due from Related Entities	$ 55,245	$ 70,381
Due to National Organization	$ 2,854	$ 2,500
Due to Other Chapters	12,271	2,643
Total Due to Related Entities	$ 15,125	$ 5,143

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 2015 and 2014, the Foundation received contributions, both cash and in-kind, from board members totaling $169,373 and $83,058, respectively. In 2015 and 2014, amounts due from board members totaled $-0- and $4,000, respectively, and are included in contributions receivable in the accompanying statements of financial position.

NOTE 6 PROPERTY AND EQUIPMENT, NET

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

	2015	2014
Computer Equipment and Software	$ 32,371	$ 27,878
Office Furniture	11,501	3,740
Other Equipment	29,375	16,775
	73,247	48,393
Less Accumulated Depreciation and Amortization	(22,389)	(7,123)
Property and Equipment, Net	$ 50,858	$ 41,270

Depreciation and amortization expense totaled $15,267 and $14,434 for the years ended August 31, 2015 and 2014, respectively.

NOTE 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.

Estimated cash and in-kind costs owed as of year end for all reportable pending wishes are accrued as pending wish liability. The in-kind portion of the pending wish liability represents the estimated in-kind outlay that is expected to be incurred in fulfilling each wish; note that the matching in-kind revenues are recognized when an unconditional promise is received for the required goods or services or in the future period when the wish is granted.

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, 2015 and 2014, the Foundation had approximately 90 and 33 reportable pending wishes, respectively.

NOTE 8 LEASES

The Foundation is obligated under various capital and operating leases for offices and equipment, which expire at various dates through August 15, 2017. As of August 31, 2015 and 2014, the cost of leased property and equipment under capital leases was $16,275, and accumulated depreciation was $3,973 and $1,356, respectively. Total rent expense for all operating leases for the years ended August 31, 2015 and 2014 totaled $87,715 and $84,372, respectively.

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:		
2016	$ 84,528	$ 3,960
2017	39,763	3,960
2018	-	3,960
2019	-	2,310
Total Minimum Lease Payments	$ 124,291	14,190
Less Amounts Representing Interest		(1,888)
Present Value of Net Minimum Lease Payments		$ 12,302

NOTE 9 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes for the years ended August 31:

	2015	2014
Time Restrictions	$ 29,250	$ 97,432
Purpose Restrictions	64,986	23,921
Total Temporarily Restricted Net Assets	$ 94,236	$ 121,353

NOTE 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 three months 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 matches 100% of employee contributions up to the first 3% of compensation and 50% of the next 2% of compensation. Foundation contributions to the Plan for the years ended August 31, 2015 and 2014 were $18,540 and $10,905, respectively.

NOTE 11 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 $123,309 and $135,229 were received from a single donor for the years ended August 31, 2015 and 2014, respectively, which represents 8% and 13%, respectively, of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 12 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through February 9, 2016, the date at which the financial statements were available to be issued.