

**MAKE-A-WISH FOUNDATION® OF
EASTERN NORTH CAROLINA**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2015 AND 2014

**MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Eastern North Carolina
Raleigh, North Carolina

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Eastern North Carolina, which comprise the statements of financial position as of August 31, 2015 and 2014, and the related statements of activities, cash flows, and functional expenses 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 Eastern North Carolina

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 Eastern North Carolina 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

CliftonLarsonAllen LLP

Phoenix, Arizona
April 28, 2016

MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	\$ 287,839	\$ 455,507
Investments	254,337	253,632
Due from Related Entities	50,658	42,287
Prepaid Expenses	38,498	21,463
Contributions Receivable, Net	313,681	202,201
Other Assets	11,682	23,247
Property and Equipment, Net	26,733	10,879
Total Assets	\$ 983,428	\$ 1,009,216
LIABILITIES AND NET ASSETS (DEFICIT)		
Accounts Payable and Accrued Expenses	\$ 131,438	\$ 52,517
Accrued Pending Wish Costs	1,172,600	841,836
Due to Related Entities	46,614	6,565
Deferred Rent	19,042	24,292
Total Liabilities	1,369,694	925,210
NET ASSETS (DEFICIT)		
Unrestricted	(763,543)	(110,072)
Temporarily Restricted	377,277	194,078
Total Net Assets (Deficit)	(386,266)	84,006
Total Liabilities and Net Assets	\$ 983,428	\$ 1,009,216

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Public Support:			
Contributions, Net of Write-Offs	\$ 2,050,586	\$ 321,152	\$ 2,371,738
Grants	91,364	63,285	154,649
Total Public Support	2,141,950	384,437	2,526,387
Internal Special Events	601,340	22,122	623,462
Less Costs of Direct Benefits to Donors	(156,822)	-	(156,822)
Total Special Events	444,518	22,122	466,640
Investment Income, Net	944	-	944
Other Income	3,930	-	3,930
Net Assets Released from Restrictions	223,360	(223,360)	-
Total Revenues, Gains, and Other Support	2,814,702	183,199	2,997,901
EXPENSES			
Program Services:			
Wish Granting	2,557,801	-	2,557,801
Total Program Services	2,557,801	-	2,557,801
Support Services:			
Fundraising	720,703	-	720,703
Management and General	189,669	-	189,669
Total Support Services	910,372	-	910,372
Total Program and Support Services Expense	3,468,173	-	3,468,173
Change in Net Assets	(653,471)	183,199	(470,272)
Net Assets (Deficit), Beginning of Year	(110,072)	194,078	84,006
NET ASSETS (DEFICIT), END OF YEAR	\$ (763,543)	\$ 377,277	\$ (386,266)

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2014

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Public Support:			
Contributions, Net of Write-Offs	\$ 1,864,715	\$ 194,078	\$ 2,058,793
Grants	137,444	-	137,444
Total Public Support	<u>2,002,159</u>	<u>194,078</u>	<u>2,196,237</u>
Internal Special Events	594,475	-	594,475
Less Costs of Direct Benefits to Donors	(152,120)	-	(152,120)
Total Special Events	<u>442,355</u>	<u>-</u>	<u>442,355</u>
Investment Income, Net	1,949	-	1,949
Other Income	1,984	-	1,984
Net Assets Released from Restrictions	177,938	(177,938)	-
Total Revenues, Gains, and Other Support	<u>2,626,385</u>	<u>16,140</u>	<u>2,642,525</u>
EXPENSES			
Program Services:			
Wish Granting	1,955,196	-	1,955,196
Total Program Services	<u>1,955,196</u>	<u>-</u>	<u>1,955,196</u>
Support Services:			
Fundraising	573,610	-	573,610
Management and General	199,385	-	199,385
Total Support Services	<u>772,995</u>	<u>-</u>	<u>772,995</u>
Total Program and Support Services Expense	2,728,191	-	2,728,191
Change in Net Assets	(101,806)	16,140	(85,666)
Net Assets (Deficit) - Beginning of Year	<u>(8,266)</u>	<u>177,938</u>	<u>169,672</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u>\$ (110,072)</u>	<u>\$ 194,078</u>	<u>\$ 84,006</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (470,272)	\$ (85,666)
Adjustments to reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation and Amortization	9,554	8,454
Net Realized and Unrealized (Gains) Losses on Investments	(64)	(1,725)
Contributed Property and Equipment, Inventory and Investments	(11,031)	(3,548)
Change in Attrition on Accrued Pending Wish Costs	28,913	(14,449)
Change in Discount to Present Value of Contributions Receivable	3,547	-
Changes in Assets and Liabilities:		
Contributions Receivable	(115,027)	119,395
Due from Related Entities	(8,371)	22,243
Prepaid Expenses	(17,035)	3,223
Other Assets	11,565	(6,672)
Accounts Payable and Accrued Expenses	78,921	(10,057)
Accrued Pending Wish Costs	301,851	96,049
Due to Related Entities	40,049	4,759
Deferred Rent	(5,250)	(3,292)
Net Cash Provided by (Used in) Operating Activities	(152,650)	128,714
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(641)	-
Purchases of Property and Equipment	(14,377)	(170)
Net Cash Used in Investing Activities	(15,018)	(170)
Net Increase (Decrease) in Cash and Cash Equivalents	(167,668)	128,544
Cash and Cash Equivalents - Beginning of Year	455,507	326,963
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 287,839	\$ 455,507
SUPPLEMENTAL CASH FLOW INFORMATION		
Donated Property and Equipment and Investments	\$ 11,031	\$ 3,548

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2015

	<u>Program Services</u>	<u>Support Services</u>			<u>Total</u>
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,967,903	\$ -	\$ -	\$ -	\$ 1,967,903
Salaries, Taxes, and Benefits	404,296	394,893	141,033	535,926	940,222
Printing, Subscriptions, and Publications	19,100	26,085	889	26,974	46,074
Professional Fees	14,903	35,171	5,196	40,367	55,270
Rent and Utilities	26,424	25,809	9,218	35,027	61,451
Postage and Delivery	4,984	7,187	1,019	8,206	13,190
Travel	5,834	8,017	3,731	11,748	17,582
Meetings and Conferences	3,424	22,325	5,013	27,338	30,762
Office Supplies	23,899	10,733	3,745	14,478	38,377
Communications	3,142	2,861	1,022	3,883	7,025
Advertising and Media (Cash)	-	98	-	98	98
Advertising and Media (In-Kind)	3,055	134,226	1,010	135,236	138,291
Repairs and Maintenance	2,846	3,172	992	4,164	7,010
Membership Dues	329	1,310	815	2,125	2,454
National Partnership Dues	57,282	7,976	7,251	15,227	72,509
Miscellaneous	16,272	36,827	7,302	44,129	60,401
Depreciation and Amortization	4,108	4,013	1,433	5,446	9,554
	<u>\$ 2,557,801</u>	<u>\$ 720,703</u>	<u>\$ 189,669</u>	<u>\$ 910,372</u>	<u>\$ 3,468,173</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2014

	<u>Program Services</u>	<u>Support Services</u>			<u>Total</u>
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,550,363	\$ -	\$ -	\$ -	\$ 1,550,363
Salaries, Taxes, and Benefits	301,784	384,408	148,549	532,957	834,741
Printing, Subscriptions, and Publications	1,252	25,945	485	26,430	27,682
Professional Fees	3,982	22,067	15,715	37,783	41,765
Rent and Utilities	25,809	25,195	10,447	35,642	61,451
Postage and Delivery	3,054	7,878	1,341	9,219	12,273
Travel	1,576	23,507	7,560	31,066	32,642
Office Supplies	2,662	4,757	2,921	7,678	10,340
Communications	3,014	3,074	1,126	4,200	7,214
Advertising and Media (Cash)	-	27,088	-	27,088	27,088
Advertising and Media (In-Kind)	-	15,090	-	15,090	15,090
Repairs and Maintenance	3,319	3,239	1,538	4,777	8,096
Membership Dues	-	575	-	575	575
National Partnership Dues	52,415	7,994	6,000	13,994	66,409
Miscellaneous	2,416	19,326	2,266	21,592	24,008
Depreciation and Amortization	3,550	3,467	1,437	4,904	8,454
	<u>\$ 1,955,196</u>	<u>\$ 573,610</u>	<u>\$ 199,385</u>	<u>\$ 772,995</u>	<u>\$ 2,728,191</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Eastern North Carolina (the Foundation) is a North Carolina 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 \$202,696 and \$407,672, 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.

MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 three to five 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.

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.

MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

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. There are no permanently restricted net assets recorded as of August 31, 2015 and 2014.

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.

MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

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:

	<u>2015</u>	<u>2014</u>
Contributions:		
Wish Related	\$ 844,547	\$ 694,360
Professional Services	-	4,568
Advertising and Media	89,355	15,090
Property and Equipment	11,031	3,548
Other	18,663	14,353
Total	<u>\$ 963,596</u>	<u>\$ 731,919</u>
Special Event Revenue		
Internal Special Events	<u>\$ 65,919</u>	<u>\$ 2,674</u>

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 \$952,565 and \$713,281 in 2015 and 2014, respectively, with the difference recorded as property and equipment.

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.

MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is a not-for-profit organization exempt from federal income and North Carolina income or franchise taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Chapter 55A of the General Statutes of North Carolina. 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, 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.

MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 tables 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.

Investments

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 of Directors, which oversees the Foundation's investment program in accordance with established guidelines.

MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Investments (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:				
Domestic Equity	\$ 6,245	\$ -	\$ -	\$ 6,245
Certificates of Deposit	-	-	-	248,092
Total	\$ 6,245	\$ -	\$ -	\$ 254,337

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:				
Domestic Equity	\$ 6,040	\$ -	\$ -	\$ 6,040
Certificates of Deposit	-	-	-	247,592
Total	\$ 6,040	\$ -	\$ -	\$ 253,632

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	\$ 880	\$ 224
Realized and Unrealized Gains, Net	64	1,725
Investment Income, Net	\$ 944	\$ 1,949

MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable as of August 31, 2015 and 2014 were \$318,200, of which 95% is due from three donors, and \$203,173, of which 94% is due from one donor, respectively. Contributions receivable include pledges that have been discounted at rates less than 5% at August 31, 2015 and 2014. The following is a summary of the Foundation's contributions receivable at August 31:

	<u>2015</u>	<u>2014</u>
Total Amounts Due in:		
One Year	\$ 288,200	\$ 203,173
Two to Five Years	30,000	-
More than Five Years	-	-
Gross Contributions Receivable	<u>318,200</u>	<u>203,173</u>
Less: Allowance for Doubtful Accounts	(972)	(972)
Less: Discount to Present Value	(3,547)	-
Contributions Receivable, Net	<u><u>\$ 313,681</u></u>	<u><u>\$ 202,201</u></u>

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 \$469,445 and \$446,233, respectively, from these national revenue streams.

As part of the National Organization's Wish Fulfillment Fund, chapters may apply for funds that have been donated by other chapters to underwrite the cost of wishes. Under this program, the Foundation received \$40,900 and \$-0- during the years ended August 31, 2015 and 2014, respectively.

MAKE-A-WISH FOUNDATION® OF EASTERN NORTH CAROLINA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 5 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

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 or for services it provides for the Foundation. Amounts totaling \$110,921 and \$78,743 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 \$3,300 and \$1,575 for the years ended August 31, 2015 and 2014, respectively, which is recorded in the accompanying statements of activities as other income.

Amounts due from and to related entities are as follows:

	<u>2015</u>	<u>2014</u>
Balance at August 31:		
Due from National Organization	\$ 43,158	\$ 34,787
Due from Other Chapters	7,500	7,500
Total Due from Related Entities	<u>\$ 50,658</u>	<u>\$ 42,287</u>
Due to National Organization	\$ 41,670	\$ -
Due to Other Chapters	4,944	6,565
Total Due to Related Entities	<u>\$ 46,614</u>	<u>\$ 6,565</u>

Amounts due from the National Organization represent contributions remitted to the National Organization that are identified for the Foundation’s use but were not yet transferred to the Foundation as of year-end. Amounts due from other chapters represent amounts paid in assisting other chapters with their wish granting. Amounts due to other chapters represent amounts owed to other chapters who have assisted in the granting of wishes for the Foundation.

During 2015 and 2014 the Foundation received contributions, both cash and in-kind, from board members totaling \$46,334 and \$84,233, respectively. In 2015 and 2014, amounts due from board members totaled \$1,000 and \$60, respectively, and are included in contributions receivable in the accompanying statements of financial position.

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NOTE 6 PROPERTY AND EQUIPMENT, NET

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

	2015	2014
Computer Equipment and Software	\$ 48,936	\$ 41,651
Office Furniture	37,756	33,368
Leasehold Improvements	7,925	3,800
	94,617	78,819
Less: Accumulated Depreciation and Amortization	(67,884)	(67,940)
Property and Equipment, Net	\$ 26,733	\$ 10,879

Depreciation and amortization expense totaled \$9,554 and \$8,454 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 144 and 121 reportable pending wishes, respectively.

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NOTE 8 LEASES

The Foundation is obligated under various operating leases for office rent and office equipment, which expire at various points through December 31, 2018. Total rent expense for all operating leases for the years ended August 31, 2015 and 2014 totaled \$67,019 and \$61,451, respectively.

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

<u>Year Ending August 31:</u>	
2016	\$ 74,272
2017	76,345
2018	23,393
2019	989
Total	<u>\$ 174,999</u>

NOTE 9 TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2015</u>	<u>2014</u>
Time Restrictions	\$ 129,004	\$ 2,191
Purpose Restrictions	248,273	191,887
Total Temporarily Restricted Net Assets	<u>\$ 377,277</u>	<u>\$ 194,078</u>

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 employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2015 and 2014 were \$11,640 and \$13,766, respectively.

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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 \$541,433 and \$483,512 were received from a single donor for the years ended August 31, 2015 and 2014, respectively, which represents 21% and 22%, respectively, of total public support. Cash contributions totaling \$200,000 and \$250,000 were received from a single donor for the years ended , which represents 9% and 12%, respectively. 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 April 28, 2016, the date at which the financial statements were available to be issued.