

**MAKE-A-WISH FOUNDATION®
OF CENTRAL CALIFORNIA**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2015 AND 2014

**MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Central California
Fresno, California

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Central California, 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 Central California

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 Central California 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
January 6, 2016

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

	2015	2014
ASSETS		
Cash and Cash Equivalents	\$ 1,742,817	\$ 1,745,700
Investments	128,119	132,535
Due from Related Entities	31,307	20,492
Prepaid Expenses	23,665	18,092
Contributions Receivable, Net	28,452	15,827
Other Assets	3,849	3,810
Property and Equipment, Net	16,453	20,060
Total Assets	\$ 1,974,662	\$ 1,956,516
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 64,926	\$ 62,932
Accrued Pending Wish Costs	840,186	696,432
Due to Related Entities	10,898	6,584
Other Liabilities	4,000	-
Total Liabilities	920,010	765,948
Net Assets		
Unrestricted	1,025,949	1,153,561
Temporarily Restricted	28,703	37,007
Total Net Assets	1,054,652	1,190,568
Total Liabilities and Net Assets	\$ 1,974,662	\$ 1,956,516

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Public Support:			
Contributions, Net of Write-Offs	\$ 1,371,499	\$ 24,702	\$ 1,396,201
Grants	50,000	-	50,000
Total Public Support	1,421,499	24,702	1,446,201
Internal Special Events	714,903	4,000	718,903
Less Costs of Direct Benefits to Donors	(151,587)	-	(151,587)
Total Special Events	563,316	4,000	567,316
Investment Income, Net	(2,682)	-	(2,682)
Other Income	(753)	-	(753)
Net Assets Released from Restrictions	37,006	(37,006)	-
Total Revenues, Gains, and Other Support	2,018,386	(8,304)	2,010,082
EXPENSES			
Program Services:			
Wish Granting	1,760,282	-	1,760,282
Total Program Services	1,760,282	-	1,760,282
Support Services:			
Fundraising	268,001	-	268,001
Management and General	117,715	-	117,715
Total Support Services	385,716	-	385,716
Total Program and Support Services Expense	2,145,998	-	2,145,998
Change in Net Assets	(127,612)	(8,304)	(135,916)
Net Assets, Beginning of Year	1,153,561	37,007	1,190,568
NET ASSETS, END OF YEAR	\$ 1,025,949	\$ 28,703	\$ 1,054,652

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2014

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Public Support:			
Contributions, Net of Write-Offs	\$ 1,632,548	\$ 15,827	\$ 1,648,375
Grants	39,640	-	39,640
Total Public Support	1,672,188	15,827	1,688,015
Internal Special Events	520,125	21,180	541,305
Less Costs of Direct Benefits to Donors	(108,383)	-	(108,383)
Total Special Events	411,742	21,180	432,922
Investment Income, Net	7,575	-	7,575
Other Income	1,210	-	1,210
Net Assets Released from Restrictions	26,081	(26,081)	-
	2,118,796	10,926	2,129,722
EXPENSES			
Program Services:			
Wish Granting	1,342,559	-	1,342,559
Total Program Services	1,342,559	-	1,342,559
Support Services:			
Fundraising	223,004	-	223,004
Management and General	95,311	-	95,311
Total Support Services	318,315	-	318,315
Total Program and Support Services Expense	1,660,874	-	1,660,874
Change in Net Assets	457,922	10,926	468,848
Net Assets, Beginning of Year, as Previously Reported	818,713	-	818,713
Restatement	(123,074)	26,081	(96,993)
Net Assets - Beginning of the Year, as Restated	695,639	26,081	721,720
NET ASSETS - END OF YEAR	\$ 1,153,561	\$ 37,007	\$ 1,190,568

See accompanying Notes to Financial Statements.

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

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (135,916)	\$ 468,848
Adjustments to reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	7,147	7,119
Net Realized and Unrealized (Gains) Losses on Investments	8,731	(625)
(Gain) Loss on Sale of Property and Equipment	828	-
Contributed Property and Equipment, Inventory and Investments	-	(1,998)
Change in Attrition on Accrued Pending Wish Costs	(5,176)	(8,583)
Changes in Assets and Liabilities:		
Contributions Receivable	(12,625)	40,475
Due from Related Entities	(10,815)	(9,966)
Prepaid Expenses	(5,573)	(9,006)
Other Assets	(39)	-
Accounts Payable and Accrued Expenses	1,994	24,337
Accrued Pending Wish Costs	148,930	106,012
Due to Related Entities	4,314	1,880
Other Liabilities	4,000	-
Net Cash Provided by Operating Activities	5,800	618,493
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(18,227)	(72,938)
Proceeds from Sales of Investments	13,912	8,279
Purchases of Property and Equipment	(4,368)	(1,001)
Net Cash Used by Investing Activities	(8,683)	(65,660)
Net Increase (Decrease) in Cash and Cash Equivalents	(2,883)	552,833
Cash and Cash Equivalents - Beginning of Year	1,745,700	1,192,867
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,742,817	\$ 1,745,700
SUPPLEMENTAL CASH FLOW INFORMATION		
Donated Property and Equipment, Stock, and Inventory	\$ 13,286	\$ 5,201

See accompanying Notes to Financial Statements.

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

	Program Services	Support Services			Total
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,405,354	\$ -	\$ -	\$ -	\$ 1,405,354
Salaries, Taxes, and Benefits	208,341	136,124	81,250	217,374	425,715
Printing, Subscriptions, and Publications	1,204	18,224	396	18,620	19,824
Professional Fees	20,594	42,487	6,782	49,269	69,863
Rent and Utilities	18,354	10,263	7,700	17,963	36,317
Postage and Delivery	4,217	4,741	1,470	6,211	10,428
Travel	3,930	5,714	1,297	7,011	10,941
Meetings and Conferences	3,274	2,743	1,039	3,782	7,056
Office Supplies	10,727	22,384	3,796	26,180	36,907
Communications	7,635	4,243	642	4,885	12,520
Advertising and Media (Cash)	41	121	14	135	176
Repairs and Maintenance	3,331	1,860	1,121	2,981	6,312
Insurance	1,761	988	573	1,561	3,322
Volunteer Training	30	17	10	27	57
National Partnership Dues	59,555	8,292	7,539	15,831	75,386
Miscellaneous	8,146	7,727	2,800	10,527	18,673
Depreciation and Amortization	3,788	2,073	1,286	3,359	7,147
	<u>\$ 1,760,282</u>	<u>\$ 268,001</u>	<u>\$ 117,715</u>	<u>\$ 385,716</u>	<u>\$ 2,145,998</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2014

	Program Services	Support Services			Total
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,053,177	\$ -	\$ -	\$ -	\$ 1,053,177
Salaries, Taxes, and Benefits	178,363	110,958	65,446	176,404	354,767
Printing, Subscriptions, and Publications	1,412	19,745	73	19,818	21,230
Professional Fees	15,616	25,228	5,092	30,320	45,936
Rent and Utilities	17,200	9,607	5,525	15,132	32,332
Postage and Delivery	2,442	13,753	788	14,541	16,983
Travel	3,308	5,988	1,209	7,197	10,505
Meetings and Conferences	1,696	3,317	1,234	4,551	6,247
Office Supplies	6,877	14,981	3,018	17,999	24,876
Communications	5,669	3,347	1,867	5,214	10,883
Repairs and Maintenance	4,112	2,750	1,610	4,360	8,472
Insurance	2,484	1,390	808	2,198	4,682
National Partnership Dues	36,973	5,214	5,214	10,428	47,401
Miscellaneous	9,456	4,612	2,196	6,808	16,264
Depreciation and Amortization	3,774	2,114	1,231	3,345	7,119
	<u>\$ 1,342,559</u>	<u>\$ 223,004</u>	<u>\$ 95,311</u>	<u>\$ 318,315</u>	<u>\$ 1,660,874</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Central California (the Foundation) is a California 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 \$700 and \$645, 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 CENTRAL CALIFORNIA
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 3 to 15 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 CENTRAL CALIFORNIA
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.

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.

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	\$ 521,702	\$ 396,382
Professional Services	5,224	2,980
Total	\$ 526,926	\$ 399,362
Special Event Revenue:		
Internal Special Events	\$ 319	\$ 1,980
Donated Property and Equipment	\$ -	\$ 1,998

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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 \$526,926 and \$399,362 in 2015 and 2014, respectively, with the difference recorded as other assets representing primarily contributed services and internal special events services.

Income Taxes

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

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 CENTRAL CALIFORNIA
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.

Reclassification

Certain amounts in the 2014 financial statements have been reclassified to conform to the 2015 financial statement presentation. These reclassifications have no impact on net assets as previously reported.

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's Finance committee.

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

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			Total
	(Level 1)	(Level 2)	(Level 3)	
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 38,116	\$ -	\$ -	\$ 38,116
International Equity	15,447	-	-	15,447
Real Estate	3,105	-	-	3,105
Asset Allocation	3,109	-	-	3,109
Bonds	68,342	-	-	68,342
Total	\$ 128,119	\$ -	\$ -	\$ 128,119

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			Total
	(Level 1)	(Level 2)	(Level 3)	
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 39,862	\$ -	\$ -	\$ 39,862
International Equity	17,210	-	-	17,210
Real Estate	3,533	-	-	3,533
Asset Allocation	3,433	-	-	3,433
Bonds	68,497	-	-	68,497
Total	\$ 132,535	\$ -	\$ -	\$ 132,535

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	\$ 7,371	\$ 8,233
Realized and Unrealized Gains (Losses), Net	(8,731)	625
Less Investment Expenses	(1,322)	(1,283)
Investment Income, Net	\$ (2,682)	\$ 7,575

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 4 CONTRIBUTIONS RECEIVABLE

All contributions receivable are due within the next twelve months and represents one donor at 2015 and 2014. Management 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, the Foundation received 275,263 and \$213,163, 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. Amounts totaling \$75,742 and \$50,001 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 \$75 and \$-0- 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:

	2015	2014
Balance at August 31:		
Due from National Organization	\$ 22,151	\$ 20,492
Due from Other Chapters	9,156	-
Total Due from Related Entities	\$ 31,307	\$ 20,492
Due to National Organization	\$ 349	\$ -
Due to Other Chapters	10,549	6,584
Total Due to Related Entities	\$ 10,898	\$ 6,584

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.

MAKE-A-WISH FOUNDATION® OF CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 5 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

During 2015 and 2014, the Foundation received contributions, both cash and in-kind, from board members totaling \$62,255 and \$144,367, respectively. In 2015 and 2014, amounts due from employees and board members totaled \$915 and \$-0-, respectively, and are included in contributions receivable in the accompanying statements of financial position. Amounts paid to related parties for goods and services used in the Foundation's operations totaled \$-0- in 2015 and 2014. Amounts due to related parties as of August 31, 2015 and 2014 totaled \$10,549 and \$6,584, respectively, and are included in accounts payable 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	\$ 42,446	\$ 41,653
Office Furniture	22,932	45,623
Other Equipment	-	3,893
	<u>65,378</u>	<u>91,169</u>
Less: Accumulated Depreciation and Amortization	(48,925)	(71,109)
Property and Equipment, Net	<u>\$ 16,453</u>	<u>\$ 20,060</u>

Depreciation and amortization expense totaled \$7,147 and \$7,119 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.

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NOTE 7 ACCRUED PENDING WISH COSTS (CONTINUED)

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 88 and 79 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 June 30, 2020. Total rent expense for all operating leases for the years ended August 31, 2015 and 2014 totaled \$30,153 and \$28,901, respectively.

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

<u>Year Ending August 31:</u>	<u>Operating Leases</u>
2016	\$ 30,376
2017	31,626
2018	31,626
2019	1,026
2020	1,026
Total Minimum Lease Payments	\$ 95,680

NOTE 9 TEMPORARILY RESTRICTED NET ASSETS

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

	<u>2015</u>	<u>2014</u>
Time Restrictions	\$ 4,000	\$ 21,180
Purpose Restrictions	24,703	15,827
Total Temporarily Restricted Net Assets	\$ 28,703	\$ 37,007

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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 one year 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 \$3,270 and \$2,970, 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 \$101,420 and \$93,980 were received from a single donor for the years ended August 31, 2015 and 2014, respectively, which represents 7% and 6%, 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 January 6, 2016, the date at which the financial statements were available to be issued.