

**MAKE-A-WISH FOUNDATION® OF
CENTRAL NEW YORK, INC.**

FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2018

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



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YEAR ENDED AUGUST 31, 2018**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Central New York, Inc.
East Syracuse, New York

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Central New York, Inc. which comprise the statement of financial position as of August 31, 2018 and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 controls 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 controls. 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 New York, Inc.

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 New York, Inc. as of August 31, 2018 and change in its net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
January 9, 2019

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2018

ASSETS

Cash and Cash Equivalents	\$	191,520
Investments		40,394
Due from Related Entities		35,244
Prepaid Expenses		8,047
Contributions Receivable, Net		189,816
Other Assets		36,159
Restricted Cash		161,060
Property and Equipment, Net		422,023
Beneficial Interest in Assets Held by Others		<u>165,066</u>
Total Assets	\$	<u><u>1,249,329</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Expenses	\$	68,855
Accrued Pending Wish Costs - Cash		325,946
Accrued Pending Wish Costs - In-Kind		76,633
Due to Related Entities		2,953
Other Liabilities		<u>52,210</u>
Total Liabilities		<u><u>526,597</u></u>

NET ASSETS

Unrestricted		248,817
Temporarily Restricted		345,796
Permanently Restricted		<u>128,119</u>
Total Net Assets		<u><u>722,732</u></u>
Total Liabilities and Net Assets	\$	<u><u>1,249,329</u></u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2018

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT				
Public Support:				
Contributions	\$ 1,100,202	\$ 122,890	\$ -	\$ 1,223,092
Grants	23,850	-	-	23,850
Total Public Support	<u>1,124,052</u>	<u>122,890</u>	<u>-</u>	<u>1,246,942</u>
Internal Special Events	421,590	543	-	422,133
Less Costs of Direct Benefits to Donors	<u>(142,169)</u>	<u>-</u>	<u>-</u>	<u>(142,169)</u>
Total Internal Special Events	279,421	543	-	279,964
Investment Income, Net	39,194	14,354	-	53,548
Other Income	300	-	-	300
Net Assets Released from Restrictions	<u>128,897</u>	<u>(128,897)</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>1,571,864</u>	<u>8,890</u>	<u>-</u>	<u>1,580,754</u>
EXPENSES				
Program Services:				
Wish Granting	971,813	-	-	971,813
Total Program Services	<u>971,813</u>	<u>-</u>	<u>-</u>	<u>971,813</u>
Support Services:				
Fundraising	262,627	-	-	262,627
Management and General	138,231	-	-	138,231
Total Support Services	<u>400,858</u>	<u>-</u>	<u>-</u>	<u>400,858</u>
Total Expenses	1,372,671	-	-	1,372,671
CHANGE IN NET ASSETS	<u>199,193</u>	<u>8,890</u>	<u>-</u>	<u>208,083</u>
Net Assets - Beginning of Year	<u>49,624</u>	<u>336,906</u>	<u>128,119</u>	<u>514,649</u>
NET ASSETS - END OF YEAR	<u>\$ 248,817</u>	<u>\$ 345,796</u>	<u>\$ 128,119</u>	<u>\$ 722,732</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2018

	Program Services		Support Services			Total
	Wish Granting	Total Program Services	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 893,928	\$ 893,928	\$ -	\$ -	\$ -	\$ 893,928
Change in Pending Wish Liability	(294,851)	(294,851)	-	-	-	(294,851)
Salaries, Taxes, and Benefits	188,345	188,345	173,178	112,170	285,348	473,693
Printing, Subscriptions, and Publications	39,930	39,930	38,870	649	39,519	79,449
Professional Fees	517	517	4,423	11,150.00	15,573	16,090
Rent and Utilities	16,602	16,602	3,913	3,365	7,278	23,880
Postage and Delivery	4,753	4,753	7,310	213	7,523	12,276
Travel	4,081	4,081	746	1,340	2,086	6,167
Meetings and Conferences	16,517	16,517	6,017	3,378	9,395	25,912
Office Supplies	7,897	7,897	5,067	458	5,525	13,422
Communications	7,843	7,843	1,470	490	1,960	9,803
Advertising and Media (Cash)	12,510	12,510	4,339	-	4,339	16,849
Repairs and Maintenance	2,810	2,810	527	176	703	3,513
Membership Dues	2,080	2,080	300	-	300	2,380
National Partnership Dues	38,038	38,038	7,132	2,377	9,509	47,547
Miscellaneous	18,188	18,188	6,967	1,676	8,643	26,831
Depreciation and Amortization	12,625	12,625	2,368	789	3,157	15,782
Special Event Expenses	-	-	142,169	-	142,169	142,169
	971,813	971,813	404,796	138,231	543,027	1,514,840
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	(142,169)	-	(142,169)	(142,169)
	-	-	-	-	-	-
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 971,813	\$ 971,813	\$ 262,627	\$ 138,231	\$ 400,858	\$ 1,372,671

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$	208,083
Adjustments to Reconcile Change in Net Assets to		
Net Cash Used by Operating Activities:		
Depreciation and Amortization		15,782
Net Realized and Unrealized Gains on Investments		(44,121)
(Increase) Decrease in Assets:		
Contributions Receivable		(70,840)
Due from Related Entities		1,570
Prepaid Expenses		2,020
Other Assets		(557)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses		(17,088)
Accrued Pending Wish Costs		(294,852)
Due to Related Entities		(3,280)
Other Liabilities		(3,754)
Net Cash Used by Operating Activities		(207,037)

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds from Sales of Investments		356,398
Purchases of Property and Equipment		(32,273)
Change in Restricted Cash		19,664
Net Cash Provided by Investing Activities		343,789

NET INCREASE IN CASH AND CASH EQUIVALENTS

136,752

Cash and Cash Equivalents - Beginning of Year

54,768

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 191,520

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Central New York, Inc. (the Foundation) is a New York State nonprofit corporation, organized for the purpose of creating life-changing wishes for children with critical illnesses. 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. To be a Make-A-Wish chapter, 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 nonprofit 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, 2018 is \$140,576 of money market mutual funds.

Restricted Cash

Restricted cash consists of money market funds held by the Foundation that were restricted by donor for purpose.

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 NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment, Net

Property and equipment having a unit cost of 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 40 years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset 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.

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.

Beneficial Interest in Assets Held by Others

The Foundation has a beneficial interest in assets held by others. This interest consists of funds contributed to the Wishes Forever Endowment Fund at National Organization. An endowment agreement has been signed between the Foundation and National Organization and thus the original corpus and any accumulated earnings are not redeemable by the Foundation at any time. Distributions from earnings will be made by the National Organization to the Foundation according to the National Organization's Endowment Spending Policy. See Note 3 for fair value disclosures related to this asset. There is \$128,119 of permanently restricted net assets included in the beneficial interest, as disclosed in Note 11. Earnings are recorded in investment income on the accompanying statement of activities.

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:

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

Level 1 – 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 – 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 – 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.

Net Assets

The Foundation's net assets and changes therein are classified and reported as follows:

Permanently Restricted – 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 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 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 contributions 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 CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The Foundation received in-kind contributions of assets, services, and materials that are reported in the statements of activities as follows:

	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Wish Related	\$ 315,111	\$ -	\$ -	\$ 315,111
Other	<u>7,330</u>	<u>730</u>	<u>6,496</u>	<u>14,556</u>
	<u>\$ 322,441</u>	<u>\$ 730</u>	<u>\$ 6,496</u>	329,667
Special Events				<u>21,979</u>
Total				<u>\$ 351,646</u>

An internal special event is a fund-raising 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.

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and New York State taxes under the provisions of Internal Revenue Code Section 501(c)(3) and exempt from the New York State corporation franchise tax under Tax Law Article 9-A regulations, Section 1-3.4(b)(6), Article 7A and the Estates, Powers and Trusts Law (EPTL) Section 8-1.4 of the New York State Department of Law Charities Bureau. 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, 2018. The Foundation files income tax returns in the U.S. federal jurisdiction, and New York State.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The Foundation performs six functions: wish granting, program-related support, training and development, public information, fundraising, and management and general. Definitions of these functions are as follows:

Wish Granting

Activities performed by the Foundation in granting wishes to children with critical illnesses.

Management and General

All costs not identifiable with a specific programs or fundraising activities, 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.

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.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value of Financial Instruments (Continued)

The fair values of the financial instruments shown in the following table as of August 31, 2018 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 audit and finance committee [or the board of directors, or Investment Committee, as appropriate], which oversees the Foundation's investment program in accordance with established guidelines.

Allocation of Investment Strategies

In addition to traditional stocks and fixed income securities, the Foundation may also hold shares or units in traditional institutional funds as well as in alternative investment funds involving hedged strategies, private equity, and real asset strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments, and are valued accordingly. Private equity funds employ buy-out and venture capital strategies and focus on investments in turn-around situations. Real estate funds generally hold interests in public real estate investment trusts (REITS) or commercial real estate through sole-member entities. Private equity and real asset strategies therefore often require the estimation of fair values by the fund managers in the absence of readily determinable market values. Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and the differences could be material.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Investments (Continued)

Allocation of Investment Strategies

Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. Moreover, the fair values of the Foundation's interests in shares or units of these funds, because of liquidity and capital commitment terms that vary depending on the specific fund or partnership agreement, may differ from the fair value of the funds' underlying net assets.

Fair Value Hierarchy

The following table presents the fair value hierarchy of assets, at August 31, 2018:

	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments Measured at NAV	Total
Assets					
Recurring:					
Investments:					
Debt Securities:					
Corporate	\$ 40,394	\$ -	\$ -	\$ -	\$ 40,394
Nonrecurring:					
Beneficial Interest in Assets Held by Others	-	-	165,066	-	165,066
Total Nonrecurring	-	-	165,066	-	165,066
Total Assets	<u>\$ 40,394</u>	<u>\$ -</u>	<u>\$ 165,066</u>	<u>\$ -</u>	<u>\$ 205,460</u>

For the valuation of investments categorized as Level 1 at August 31, 2018, the Foundation used unadjusted market prices for identical assets.

For the valuation of investments categorized as Level 3 at August 31, 2018, the Foundation used significant unobservable inputs such as percentage of ownership applied to fair market value as stated in audited financial statements, percentage of annual investment return applied to outstanding account, or present value of expected future amount to be received.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents a rollforward of activity for investments, measured at fair value using significant unobservable inputs (Level 3) for the year ended August 31, 2018:

Beginning Balance	\$ 158,820
Total Gains or Losses (Realized/Unrealized) Included in Changes in Net Assets	12,334
Withdrawals	(6,088)
Ending Balance	<u>\$ 165,066</u>
Change in Unrealized Gains or Losses for the Period Included in the Change in Net Assets Relating to Investments Still Held at End of Reporting Period	<u>\$ 12,334</u>

Total investment income, gains, and losses for the year ended August 31, 2018 consist of the following:

Interest and Dividend Income	\$ 9,427
Realized and Unrealized Gains, Net	44,121
Investment Income, Net	<u>\$ 53,548</u>

NOTE 4 CONTRIBUTIONS RECEIVABLE

The Foundation's contributions receivable as of August 31, 2018 were \$189,816. Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at August 31, 2018.

Total Amounts Due in:	
Within One Year	\$ 122,314
One to Five Years	67,502
Contributions Receivable	<u>\$ 189,816</u>

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 5 TRANSACTIONS WITH RELATED ENTITIES

Amounts due from and to related entities are as follows:

Balance at August 31, 2018:	
Due from National Organization	\$ 35,244
Total Due from Related Entities	<u>\$ 35,244</u>
Due to National Organization	\$ 1,275
Due to Other Chapters	1,678
Total Due to Related Entities	<u>\$ 2,953</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. Amounts due to the National Organization generally represent unpaid chapter dues and services.

During 2018 the Foundation received contributions, both cash and in-kind, from board members totaling \$5,410. No amounts were due from board members at August 31, 2018.

NOTE 6 PROPERTY AND EQUIPMENT, NET

Property and equipment as of August 31, 2018 consists of the following:

Land	\$ 250,000
Buildings and Building Improvements	197,769
Computer Equipment and Software	95,947
Office Furniture	129,244
Total	<u>672,960</u>
Less Accumulated Depreciation and Amortization	<u>(250,937)</u>
Property and Equipment, Net	<u>\$ 422,023</u>

Depreciation and amortization expense totaled \$15,782 for the year ended August 31, 2018.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 7 ACCRUED PENDING WISH COSTS

The Foundation accrues for estimated costs of reportable pending wishes when five certain, measurable wish criteria are met. Prior to meeting these five criteria, the wish is not considered an obligation due to the inherent uncertainties surrounding these criteria and is therefore not accrued as a pending wish. This accrual does not represent a legally binding liability but is considered a moral obligation to the child by the Foundation arising when the five criteria are met. 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 are accrued as pending wish liability at year-end for all reportable approved pending wishes. The in-kind portion of the pending wish liability includes the estimated in-kind expenses that are expected to be incurred in fulfilling each wish even though the matching in-kind revenues are not recognized until the in-kind goods or services, or an unconditional promise for those in-kind goods or services, are received. Although not fully guaranteed, if the related expected in-kind revenue were recognized in the same fiscal period as the expected in-kind expense, total net assets at August 31, 2018 would increase by \$67,007 resulting in adjusted net assets of \$789,739.

In 2018, the Foundation made a change in calculation of accrued pending wish costs. The change simplified the methodology to more closely align the calculation with criteria five "The wish is expected to be granted in the next 12 months." The Foundation limited the number of wishes anticipated to be completed to the lesser of approved wishes or the historical average of wishes granted in the past three years. As a result, the organization may have experienced a change in liability beyond the change in approved wishes.

NOTE 8 LINE OF CREDIT

The Foundation has an unsecured line of credit with a financial institution totaling \$100,000, bearing interest at 6.75%. There were no outstanding borrowings on this line of credit as of August 31, 2018.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 ENDOWMENTS

The Foundation is subject to the enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and is required to make disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

The Foundation's endowment consists of four individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets, both donor-restricted and board-designated, are reflected as investments held for long-term purposes on the statements of financial position.

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the New York State version of the UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

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NOTE 9 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

Changes in endowment funds for the years ended August 31 are as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Funds - Beginning of Year	\$ -	\$ 14,766	\$ 128,119	\$ 142,885
Investment Return:				
Investment Income	-	3,063	-	3,063
Net Appreciation (Realized and Unrealized)	-	11,291	-	11,291
Total Investment Return	-	14,354	-	14,354
Administrative Charges	-	(1,191)	-	(1,191)
Appropriation of Endowment Asset for Expenditure	-	(6,088)	-	(6,088)
Endowment Funds - End of Year	<u>\$ -</u>	<u>\$ 21,841</u>	<u>\$ 128,119</u>	<u>\$ 149,960</u>

Fund Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There are no fund deficiencies as of August 31, 2018.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment fund(s) while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
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NOTE 9 ENDOWMENTS (CONTINUED)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 4% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 1% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 10 TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes for the years ended August 31, 2018:

Time Restrictions	\$ 48,000
Wish Granting	67,007
Capital Campaign	146,176
Purpose Restrictions	<u>84,613</u>
Total Temporarily Restricted Net Assets	<u><u>\$ 345,796</u></u>

For the years ended August 31, 2018 permanently restricted net assets are restricted to:

Investments in Perpetuity, the Income from which is Expendable to Support Future Wishes	<u><u>\$ 128,119</u></u>
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NOTE 11 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 Internal Revenue Code limitations. The Foundation matches employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan for the year ended August 31, 2018 were \$15,499.

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NOTE 12 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 \$167,180 were received from a single donor for the year ended August 31, 2018, which represents 13% of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 13 LITIGATION AND CLAIMS

The Foundation is periodically involved in litigation and claims arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Foundation's financial position, change in net assets, or liquidity.

NOTE 14 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through January 9, 2019, the date at which the financial statements were available to be issued.



Investment advisory services are offered through CliftonLarsonAllen
Wealth Advisors, LLC, an SEC-registered investment advisor.