

**MAKE A WISH FOUNDATION® OF GEORGIA**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2017 AND 2016**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Georgia  
Atlanta, Georgia

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Georgia, which comprise the statements of financial position as of August 31, 2017 and 2016, 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.

**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 Georgia as of August 31, 2017 and 2016, 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**

Lakeland, Florida  
October 19, 2017

**MAKE A WISH FOUNDATION® OF GEORGIA**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2017 AND 2016**

	2017	2016
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 249,945	\$ 486,717
Due from Related Entities	98,426	89,262
Prepaid Expenses	103,691	90,838
Contributions Receivable, Net	342,673	370,635
Other Assets	3,584	14,584
Property and Equipment, Net	75,179	141,165
Total Assets	\$ 873,498	\$ 1,193,201
<b>LIABILITIES AND NET DEFICIT</b>		
Accounts Payable and Accrued Expenses	\$ 227,959	\$ 177,904
Accrued Pending Wish Costs - Cash	2,425,532	2,350,014
Accrued Pending Wish Costs - In Kind	1,241,377	1,370,088
Due to Related Entities	-	728
Other Liabilities	55,654	88,436
Total Liabilities	3,950,522	3,987,170
<b>NET ASSETS (DEFICIT)</b>		
Unrestricted	(3,542,643)	(3,365,193)
Temporarily Restricted	465,619	571,224
Total Net Deficit	(3,077,024)	(2,793,969)
Total Liabilities and Net Deficit	\$ 873,498	\$ 1,193,201

See accompanying Notes to Financial Statements.

**MAKE A WISH FOUNDATION® OF GEORGIA  
STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2017**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Net of Write-Offs	\$ 4,091,186	\$ 291,254	\$ 4,382,440
Grants	1,007,936	23,302	1,031,238
Total Public Support	5,099,122	314,556	5,413,678
Internal Special Events	1,228,428	151,063	1,379,491
Less Costs of Direct Benefits to Donors	(321,519)	-	(321,519)
Total Special Events	906,909	151,063	1,057,972
Investment Income, Net	194	-	194
Other Income	9,075	-	9,075
Net Assets Released from Restrictions	571,224	(571,224)	-
Total Revenues, Gains, and Other Support	6,586,524	(105,605)	6,480,919
<b>EXPENSES</b>			
Program Services:			
Wish Granting	5,227,607	-	5,227,607
Total Program Services	5,227,607	-	5,227,607
Support Services:			
Fundraising	583,163	-	583,163
Management and General	953,204	-	953,204
Total Support Services	1,536,367	-	1,536,367
Total Program and Support Services Expense	6,763,974	-	6,763,974
Change in Net Assets	(177,450)	(105,605)	(283,055)
Net Assets (Deficit), Beginning of Year	(3,365,193)	571,224	(2,793,969)
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	<b>\$ (3,542,643)</b>	<b>\$ 465,619</b>	<b>\$ (3,077,024)</b>

See accompanying Notes to Financial Statements.

**MAKE A WISH FOUNDATION® OF GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2016**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Net of Write-Offs	\$ 3,476,320	\$ 306,124	\$ 3,782,444
Grants	1,058,051	-	1,058,051
Total Public Support	4,534,371	306,124	4,840,495
Internal Special Events	1,592,671	240,100	1,832,771
Less Costs of Direct Benefits to Donors	(480,219)	-	(480,219)
Total Special Events	1,112,452	240,100	1,352,552
Investment Income, Net	193	-	193
Other Income	8,025	-	8,025
Net Assets Released from Restrictions	565,646	(565,646)	-
Total Revenues, Gains, and Other Support	6,220,687	(19,422)	6,201,265
<b>EXPENSES</b>			
Program Services:			
Wish Granting	6,200,308	-	6,200,308
Total Program Services	6,200,308	-	6,200,308
Support Services:			
Fundraising	679,649	-	679,649
Management and General	461,620	-	461,620
Total Support Services	1,141,269	-	1,141,269
Total Program and Support Services Expense	7,341,577	-	7,341,577
Change in Net Assets	(1,120,890)	(19,422)	(1,140,312)
Net Assets (Deficit), Beginning of Year	(2,244,303)	590,646	(1,653,657)
<b>NET ASSETS (DEFICIT), END OF YEAR</b>	<b>\$ (3,365,193)</b>	<b>\$ 571,224</b>	<b>\$ (2,793,969)</b>

See accompanying Notes to Financial Statements.

**MAKE A WISH FOUNDATION® OF GEORGIA  
STATEMENTS OF CASH FLOWS  
YEARS ENDED AUGUST 31, 2017 AND 2016**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (283,055)	\$ (1,140,312)
Adjustments to reconcile Change in Net Assets to Net Cash Used In Operating Activities:		
Depreciation and Amortization	69,360	63,928
Changes in Assets and Liabilities:		
Contributions Receivable	27,962	(98,703)
Due from Related Entities	(9,164)	(1,007)
Prepaid Expenses	(12,853)	(56,256)
Other Assets	11,000	(11,000)
Accounts Payable and Accrued Expenses	50,055	(34,943)
Accrued Pending Wish Costs - Cash	75,518	554,722
Accrued Pending Wish Costs - In Kind	(128,711)	110,307
Due to Related Entities	(728)	(28)
Other Liabilities	(32,782)	14,554
Net Cash Used in Operating Activities	(233,398)	(598,738)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(3,374)	(2,030)
Net Cash Used in Investing Activities	(3,374)	(2,030)
Net Decrease in Cash and Cash Equivalents	(236,772)	(600,768)
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	486,717	1,087,485
<b>CASH AND CASH EQUAVALENTS, END OF YEAR</b>	\$ 249,945	\$ 486,717
Supplemental Cash Flow Information:		
In-kind Contributions	\$ 2,071,117	\$ 2,745,078

See accompanying Notes to Financial Statements.



**MAKE A WISH FOUNDATION® OF GEORGIA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2017**

	Program Services		Support Services		Total
	Wish Granting	Fundraising	Management and General	Support Services	
Direct Costs of Wishes	\$ 3,958,501	\$ -	\$ -	\$ -	\$ 3,958,501
Salaries, Taxes, and Benefits	826,912	407,165	654,261	1,061,426	1,888,338
Printing, Subscriptions, and Publications	15,958	8,325	17,376	25,701	41,659
Professional Fees	127,963	48,233	78,431	126,664	254,627
Rent and Utilities	58,105	26,353	28,773	55,126	113,231
Postage and Delivery	5,590	2,900	3,962	6,862	12,452
Travel	10,181	8,937	6,437	15,374	25,555
Meetings and Conferences	7,299	9,161	23,048	32,209	39,508
Office Supplies	6,997	9,188	14,739	23,927	30,924
Communications	19,101	7,727	11,001	18,728	37,829
Repairs and Maintenance	32,715	13,276	25,209	38,485	71,200
Membership Dues	1,903	860	1,349	2,209	4,112
Volunteer Training	-	1,703	-	1,703	1,703
National Partnership Dues	73,436	9,296	10,225	19,521	92,957
Miscellaneous	48,266	16,861	56,891	73,752	122,018
Depreciation and Amortization	34,680	13,178	21,502	34,680	69,360
Special Event Expenses	-	321,519	-	321,519	321,519
	<u>5,227,607</u>	<u>904,682</u>	<u>953,204</u>	<u>1,857,886</u>	<u>7,085,493</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:					
Special Event Expenses	-	(321,519)	-	(321,519)	(321,519)
	<u>-</u>	<u>(321,519)</u>	<u>-</u>	<u>(321,519)</u>	<u>(321,519)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 5,227,607</u>	<u>\$ 583,163</u>	<u>\$ 953,204</u>	<u>\$ 1,536,367</u>	<u>\$ 6,763,974</u>

See accompanying Notes to Financial Statements.

**MAKE A WISH FOUNDATION® OF GEORGIA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2016**

	Program Services		Support Services		Total
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 4,973,496	\$ -	\$ -	\$ -	\$ 4,973,496
Salaries, Taxes, and Benefits	874,461	496,757	295,212	791,969	1,666,430
Printing, Subscriptions, and Publications	7,331	6,544	6,913	13,457	20,788
Professional Fees	32,435	18,247	9,650	27,897	60,332
Rent and Utilities	67,053	39,735	17,384	57,119	124,172
Postage and Delivery	4,190	2,825	1,418	4,243	8,433
Travel	4,757	7,737	1,910	9,647	14,404
Meetings and Conferences	2,902	4,219	12,957	17,176	20,078
Office Supplies	7,556	4,946	5,989	10,935	18,491
Communications	19,559	11,353	5,227	16,580	36,139
Repairs and Maintenance	28,600	16,211	21,817	38,028	66,628
Insurance	242	144	63	207	449
Membership Dues	1,255	478	867	1,345	2,600
Volunteer Training	636	22	10	32	668
National Partnership Dues	117,259	19,797	15,228	35,025	152,284
Miscellaneous	24,055	30,177	58,025	88,202	112,257
Depreciation and Amortization	34,521	20,457	8,950	29,407	63,928
Special Event Expenses	-	480,219	-	480,219	480,219
	<u>6,200,308</u>	<u>1,159,868</u>	<u>461,620</u>	<u>1,621,488</u>	<u>7,821,796</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:					
Special Event Expenses	-	(480,219)	-	(480,219)	(480,219)
	<u>-</u>	<u>(480,219)</u>	<u>-</u>	<u>(480,219)</u>	<u>(480,219)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 6,200,308</u>	<u>\$ 679,649</u>	<u>\$ 461,620</u>	<u>\$ 1,141,269</u>	<u>\$ 7,341,577</u>

See accompanying Notes to Financial Statements.

**MAKE A WISH FOUNDATION® OF GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of Georgia (the Foundation) is a Georgia 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, 2017 and 2016 is \$109,088 and \$73,794, respectively of money market mutual funds.

**Contributions Receivable**

Contributions receivable are unconditional promises to give. Such promises that are expected to be collected within one year are recorded at expected net realizable value when the promise is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Contributions receivable are discounted using fair value rates and contributions are written off when deemed uncollectible.

**Property and Equipment, Net**

Property and equipment having a unit cost greater than \$500 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Property and equipment under capital leases are stated at the present value of future minimum lease payments at the time of acquisition. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 8 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.

**MAKE A WISH FOUNDATION® OF GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Property and Equipment, Net (Continued)**

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances indicate a long-lived asset may be impaired, the asset value will be reduced to fair value. Fair value is determined through various valuation techniques including quoted market values and third-party independent appraisals, as considered necessary.

**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 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 GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**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 statement of activities as follows at August 31:

	August 31, 2017			
	Programs	Fundraising	Management and General	Total
Wish Related	\$ 1,770,403	\$ -	\$ -	\$ 1,770,403
Professional Services	102,860	39,087	66,273	208,220
Other	-	-	10,830	10,830
	<u>\$ 1,873,263</u>	<u>\$ 39,087</u>	<u>\$ 77,103</u>	1,989,453
Special Events				78,814
Property and Equipment (Capitalized)				2,850
Total				<u>\$ 2,071,117</u>
	August 31, 2016			
	Programs	Fundraising	Management and General	Total
Wish Related	\$ 2,554,506	\$ -	\$ 5,644	\$ 2,560,150
Professional Services	22,553	1,617	52	24,222
Other	87	167	-	254
	<u>\$ 2,577,146</u>	<u>\$ 1,784</u>	<u>\$ 5,696</u>	2,584,626
Special Events				160,452
Total				<u>\$ 2,745,078</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.

**MAKE A WISH FOUNDATION® OF GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

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. Donated advertising and media is reported as contribution revenue and fundraising or public information [if allocated as a joint cost] 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. The Foundation had no advertising expense for the years ended August 31, 2017 and 2016, respectively.

**Income Taxes**

The Foundation is a not-for-profit organization exempt from federal income and State of Georgia taxes under the provisions of Internal Revenue Code Section 501(c)(3) and the Georgia Revenue and Taxation code. 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, 2017 and 2016. The Foundation files income tax returns in the U.S. federal jurisdiction, and state jurisdictions.

**Functional Expenses**

The Foundation performs three functions: wish granting and program-related support, 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 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 GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2017 AND 2016**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Deferred Rent**

The Foundation accounts for rent expense evenly over the term of the lease using the straight-line method. The unamortized deferred rent was \$55,654 and \$88,436 at August 31, 2017 and 2016, respectively

**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 and whether an allowance for uncollectible contributions receivable is required.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**NOTE 3 CONTRIBUTIONS RECEIVABLE**

There were no long-term contribution receivables requiring discounting in the year ended August 31, 2017 and 2016. The following is a summary of the Foundation's contributions receivable at August 31:

	2017	2016
Total Amounts Due in:		
One Year	\$ 342,673	\$ 370,635
Contributions Receivable	\$ 342,673	\$ 370,635

**NOTE 4 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, 2017 and 2016, respectively, the Foundation received \$1,149,530 and \$1,168,705, respectively, from these national revenue streams.

**MAKE A WISH FOUNDATION® OF GEORGIA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2017 AND 2016**

**NOTE 4 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)**

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, 2017 and 2016, the Foundation received \$1,149,530 and \$1,168,705, 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 contributed \$720,000 and \$600,000, respectively, during the years August 31, 2017 and 2016, respectively.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that Make-A-Wish Foundation of America pays on behalf of the Foundation. Amounts totaling \$92,957 and \$152,284 were paid from the Foundation and for services provided by to the National Organization during the years ended August 31, 2017 and 2016, respectively.

Chapters who assist with the organization and granting of wishes from other chapters are paid a "fee for service" called the wish asset fee. Under this program, the originating chapter agrees to pay a fee to the chapter of the wish destination to assist with any planning, booking and facilitating of the wish for the home chapter. Under this program, the Foundation received \$9,075 and \$8,025 during the years ended August 31, 2017 and 2016, respectively, which is recorded in the accompanying statements of activities as other income.

Amounts due from and to related entities are as follows:

	2017	2016
Balance at August 31:		
Due from National Organization	\$ 83,773	\$ 89,262
Total Due from Related Entities	\$ 83,773	\$ 89,262
Due to Other Chapters	\$ 3,450	\$ 728
Total Due to Related Entities	\$ 3,450	\$ 728

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 2017 and 2016 the Foundation received contributions, both cash and in-kind, from board members totaling \$306,432 and \$375,547, respectively.



**MAKE A WISH FOUNDATION® OF GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 5 PROPERTY AND EQUIPMENT, NET**

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

	2017	2016
Buildings and Building Improvements	\$ 171,231	\$ 171,231
Computer Equipment and Software	234,127	234,127
Office Furniture	75,750	72,377
Other Equipment	9,708	9,708
Leasehold Improvements	103,464	103,464
	<u>594,280</u>	<u>590,907</u>
Less Accumulated Depreciation and Amortization	(519,101)	(449,742)
Property and Equipment, Net	<u>\$ 75,179</u>	<u>\$ 141,165</u>

Depreciation and amortization expense totaled \$69,360 and \$63,928 for the years ended August 31, 2017 and 2016, respectively.

**NOTE 6 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 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 all 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, 2017 would be increased by \$1,517,978 resulting in adjusted net assets of (\$1,783,790).

**MAKE A WISH FOUNDATION® OF GEORGIA  
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**NOTE 6 ACCRUED PENDING WISH COSTS (CONTINUED)**

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, 2017 and 2016, the Foundation had 366 and 351 reportable pending wishes, respectively.

**NOTE 7 LEASES**

The Foundation is obligated under various operating leases for offices and equipment, which expire at various dates through 2021. Total rent expense for all operating leases for the years ended August 31, 2017 and 2016 totaled \$125,065 and \$135,775, 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>	Operating Leases Amount
2018	\$ 145,364
2019	142,404
2020	145,537
2021	12,153
Total Minimum Lease Payments	<u>\$ 445,458</u>

**NOTE 8 TEMPORARILY RESTRICTED NET ASSETS**

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

	<u>2017</u>	<u>2016</u>
Time Restrictions	\$ 151,063	\$ 265,100
Purpose Restrictions	314,556	306,124
Total Temporarily Restricted Net Assets	<u>\$ 465,619</u>	<u>\$ 571,224</u>

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**NOTE 9 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, 2017 and 2016 were \$42,828 and \$32,180, respectively.

**NOTE 10 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 \$717,654 and \$713,702 were received from a single donor for the years ended August 31, 2017 and 2016, respectively, which represents 15% and 12%, respectively, of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

**NOTE 11 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 12 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through October 19, 2017, the date at which the financial statements were available to be issued.