

MAKE A WISH FOUNDATION® OF GEORGIA
FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2016 AND 2015

**MAKE A WISH FOUNDATION® OF GEORGIA
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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, 2016 and 2015, 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, 2016 and 2015, 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
December 13, 2016

MAKE A WISH FOUNDATION® OF GEORGIA
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents	\$ 486,717	\$ 1,087,485
Due from Related Entities	89,262	88,255
Prepaid Expenses	90,838	34,582
Contributions Receivable	370,635	271,932
Other Assets	14,584	3,584
Property and Equipment, Net	141,165	203,063
Total Assets	\$ 1,193,201	\$ 1,688,901
LIABILITIES AND NET DEFICIT		
Accounts Payable and Accrued Expenses	\$ 177,904	\$ 212,847
Accrued Pending Wish Costs - Cash	2,350,014	1,795,292
Accrued Pending Wish Costs - In Kind	1,370,088	1,259,781
Due to Related Entities	728	756
Other Liabilities	88,436	73,882
Total Liabilities	3,987,170	3,342,558
NET ASSETS (DEFICIT)		
Unrestricted	(3,365,193)	(2,244,303)
Temporarily Restricted	571,224	590,646
Total Net Deficit	(2,793,969)	(1,653,657)
Total Liabilities and Net Deficit	\$ 1,193,201	\$ 1,688,901

See accompanying Notes to Financial Statements.

MAKE A WISH FOUNDATION® OF GEORGIA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2016
(WITH SUMMARIZED TOTALS FOR YEAR ENDED AUGUST 31, 2015)

	Unrestricted	Temporarily Restricted	Total	Total 2015
REVENUES, GAINS AND OTHER SUPPORT				
Public Support:				
Contributions, Net of Write-Offs	\$ 3,476,320	\$ 306,124	\$ 3,782,444	\$ 3,566,060
Grants	1,058,051	-	1,058,051	1,246,085
Total Public Support	<u>4,534,371</u>	<u>306,124</u>	<u>4,840,495</u>	<u>4,812,145</u>
Internal Special Events	1,592,671	240,100	1,832,771	1,948,543
Less Costs of Direct Benefits to Donors	(480,219)	-	(480,219)	(354,611)
Total Special Events	<u>1,112,452</u>	<u>240,100</u>	<u>1,352,552</u>	<u>1,593,932</u>
Investment Income (Loss), Net	193	-	193	(266)
Other Income	8,025	-	8,025	10,050
Net Assets Released from Restrictions	565,646	(565,646)	-	-
Total Revenues, Gains, and Other Support	<u>6,220,687</u>	<u>(19,422)</u>	<u>6,201,265</u>	<u>6,415,861</u>
EXPENSES				
Program Services:				
Wish Granting	6,200,308	-	6,200,308	5,460,387
Total Program Services	<u>6,200,308</u>	<u>-</u>	<u>6,200,308</u>	<u>5,460,387</u>
Support Services:				
Fundraising	679,649	-	679,649	619,741
Management and General	461,620	-	461,620	645,017
Total Support Services	<u>1,141,269</u>	<u>-</u>	<u>1,141,269</u>	<u>1,264,758</u>
Total Program and Support Services Expense	<u>7,341,577</u>	<u>-</u>	<u>7,341,577</u>	<u>6,725,145</u>
Change in Net Assets	(1,120,890)	(19,422)	(1,140,312)	(309,284)
Net Assets (Deficit), Beginning of Year	<u>(2,244,303)</u>	<u>590,646</u>	<u>(1,653,657)</u>	<u>(1,344,373)</u>
NET ASSETS (DEFICIT), END OF YEAR	<u>\$ (3,365,193)</u>	<u>\$ 571,224</u>	<u>\$ (2,793,969)</u>	<u>\$ (1,653,657)</u>

See accompanying Notes to Financial Statements.

MAKE A WISH FOUNDATION® OF GEORGIA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Public Support:			
Contributions, Net of Write-Offs	\$ 3,372,706	\$ 193,354	\$ 3,566,060
Grants	1,232,893	13,192	1,246,085
Total Public Support	4,605,599	206,546	4,812,145
Internal Special Events	1,614,443	334,100	1,948,543
Less Costs of Direct Benefits to Donors	(354,611)	-	(354,611)
Total Special Events	1,259,832	334,100	1,593,932
Investment Loss, Net	(266)	-	(266)
Other Income	10,050	-	10,050
Net Assets Released from Restrictions	682,769	(682,769)	-
Total Revenues, Gains, and Other Support	6,557,984	(142,123)	6,415,861
EXPENSES			
Program Services:			
Wish Granting	5,460,387	-	5,460,387
Total Program Services	5,460,387	-	5,460,387
Support Services:			
Fundraising	619,741	-	619,741
Management and General	645,017	-	645,017
Total Support Services	1,264,758	-	1,264,758
Total Program and Support Services Expense	6,725,145	-	6,725,145
Change in Net Assets	(167,161)	(142,123)	(309,284)
Net Assets (Deficit), Beginning of Year	(2,077,142)	732,769	(1,344,373)
NET ASSETS (DEFICIT), END OF YEAR	\$ (2,244,303)	\$ 590,646	\$ (1,653,657)

See accompanying Notes to Financial Statements.

MAKE A WISH FOUNDATION® OF GEORGIA
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (1,140,312)	\$ (309,284)
Adjustments to reconcile Change in Net Assets to Net Cash		
Provided by (Used In) Operating Activities:		
Depreciation and Amortization	63,928	129,505
Changes in Assets and Liabilities:		
Contributions Receivable	(98,703)	20,638
Due from Related Entities	(1,007)	(6,751)
Prepaid Expenses	(56,256)	9,951
Other Assets	(11,000)	(1)
Accounts Payable and Accrued Expenses	(34,943)	(21,961)
Accrued Pending Wish Costs - Cash	554,722	643,146
Accrued Pending Wish Costs - In Kind	110,307	-
Due to Related Entities	(28)	(154,993)
Other Liabilities	14,554	(24,662)
Net Cash Provided by (Used in) Operating Activities	(598,738)	285,588
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(2,030)	(1,840)
Net Cash Provided Used in Investing Activities	(2,030)	(1,840)
Net Increase (Decrease) in Cash and Cash Equivalents	(600,768)	283,748
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,087,485	803,737
CASH AND CASH EQUVALENTS, END OF YEAR	\$ 486,717	\$ 1,087,485
Supplemental Cash Flow Information:		
In-kind Contributions	\$ 1,803,934	\$ 1,654,009

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	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
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
	<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
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2015

	Program Services		Support Services		Total
	Wish Granting	Fundraising	Management and General	Support Services	
Direct Costs of Wishes	\$ 4,157,763	\$ -	\$ -	\$ -	\$ 4,157,763
Salaries, Taxes, and Benefits	920,005	454,601	431,532	886,133	1,806,138
Printing, Subscriptions, and Publications	18,443	9,303	13,540	22,843	41,286
Professional Fees	19,611	9,835	11,939	21,774	41,385
Rent and Utilities	55,922	28,007	23,434	51,441	107,363
Postage and Delivery	4,097	2,609	3,015	5,624	9,721
Travel	6,923	6,844	3,584	10,428	17,351
Meetings and Conferences	7,192	3,308	10,804	14,112	21,304
Office Supplies	13,443	5,453	4,164	9,617	23,060
Communications	17,379	8,706	7,176	15,882	33,261
Repairs and Maintenance	34,693	17,426	30,619	48,045	82,738
Membership Dues	316	158	1,077	1,235	1,551
Volunteer Training	5,748	-	-	-	5,748
National Partnership Dues	101,623	17,157	13,198	30,355	131,978
Miscellaneous	29,886	22,663	62,444	85,107	114,993
Depreciation and Amortization	67,343	33,671	28,491	62,162	129,505
	<u>\$ 5,460,387</u>	<u>\$ 619,741</u>	<u>\$ 645,017</u>	<u>\$ 1,264,758</u>	<u>\$ 6,725,145</u>

See accompanying Notes to Financial Statements.

MAKE A WISH FOUNDATION® OF GEORGIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

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, 2016 and 2015 is \$73,794 and \$67,687, 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, 2016 AND 2015

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 contribution revenue. Conditional promises are recorded as revenue once the conditions are substantially met. Contributions, grants, and bequests are recognized as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. When restrictions are met in the same period as the contribution is received, the Foundation records the contribution and the expense as unrestricted. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**MAKE A WISH FOUNDATION® OF GEORGIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The Foundation received in-kind contributions of assets and services that are reported as follows at August 31:

	2016	2015
Program - Wish Granting		
Wish Related	\$ 2,554,506	\$ 1,861,060
Professional Services	22,553	10,197
Other	87	1,100
Management and General		
Professional Services	1,617	761
Other	167	-
Fundraising		
Professional Services	5,644	4,262
Other	52	-
Total Program and Supported Services Expenses	2,584,626	1,877,380
Direct Benefit Expenses, Netted with Special Event Revenue		
Other	160,452	87,473
 Total	 \$ 2,584,626	 \$ 1,877,380

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.

Advertising and media is used to help the Foundation communicate its message or mission and includes fundraising materials, informational material, or advertising, and may be in the form of an audio or video tape of a public service announcement, a layout for a newspaper, media time or space for public service announcements, or other purposes. Advertising and media are reported as contribution revenue 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, 2016 and 2015, 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.

MAKE A WISH FOUNDATION® OF GEORGIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

Management believes that no uncertain tax positions exist for the Foundation at August 31, 2016 and 2015. 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.

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 \$88,436 and \$488 at August 31, 2016 and 2015, 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 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.

**MAKE A WISH FOUNDATION® OF GEORGIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Contributions receivable include pledges that have been discounted at a rate of 2.95% at August 31, 2015. There were no long-term contribution receivables requiring discounting in the year ended August 31, 2016. The following is a summary of the Foundation's contributions receivable at August 31:

	2016	2015
Total Amounts Due in:		
One Year	\$ 370,635	\$ 246,932
Two to Five Years	-	25,000
Contributions Receivable	\$ 370,635	\$ 271,932

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, 2016 and 2015, respectively, the Foundation received \$1,168,705 and \$1,848,236, respectively, from these national revenue streams.

As part of the National Organization's Wish Fulfillment Fund, chapters may apply for funds that have been donated by other chapters to underwrite the cost of wishes. Under this program, the Foundation received \$600,000 and \$750,000, respectively, during the years August 31, 2016 and 2015, respectively.

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 \$152,284 and \$184,627 were paid from the Foundation and for services provided by to the National Organization during the years ended August 31, 2016 and 2015, 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 Foundation received \$8,025 and \$10,050 during the years ended August 31, 2016 and 2015, respectively, which is recorded in the accompanying statements of activities as other income.

MAKE A WISH FOUNDATION® OF GEORGIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 4 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

Amounts due from and to related entities are as follows:

	<u>2016</u>	<u>2015</u>
Balance at August 31:		
Due from National Organization	\$ 89,262	\$ 88,255
Total Due from Related Entities	<u>\$ 89,262</u>	<u>\$ 88,255</u>
Due to National Organization	\$ -	\$ 756
Due to Other Chapters	728	-
Total Due to Related Entities	<u>\$ 728</u>	<u>\$ 756</u>

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

During 2016 and 2015 the Foundation received contributions, both cash and in-kind, from board members totaling \$375,547 and \$355,350, respectively.

NOTE 5 PROPERTY AND EQUIPMENT, NET

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

	<u>2016</u>	<u>2015</u>
Buildings and Building Improvements	\$ 171,231	\$ 171,231
Computer Equipment and Software	234,127	232,096
Office Furniture	72,377	72,377
Other Equipment	9,708	9,708
Leasehold Improvements	103,464	103,464
	<u>590,907</u>	<u>588,876</u>
Less Accumulated Depreciation and Amortization	<u>(449,742)</u>	<u>(385,813)</u>
Property and Equipment, Net	<u>\$ 141,165</u>	<u>\$ 203,063</u>

Depreciation and amortization expense totaled \$63,928 and \$129,505 for the years ended August 31, 2016 and 2015, 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:

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NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015**

NOTE 6 ACCRUED PENDING WISH COSTS (CONTINUED)

1. Receiving a referral,
2. Obtaining the required medical eligibility form,
3. Contact with the wish family has occurred to determine the prospective wish,
4. Determination that the wish falls within the National Organization's wish granting policy, and
5. The wish is expected to be granted within the next 12 months.

Estimated cash and in-kind costs owed as of year-end for all reportable pending wishes are accrued as pending wish liability. The in-kind portion of the pending wish liability includes the estimated in-kind outlay that is 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, 2016 would be (\$1,730,005).

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, 2016 and 2015, the Foundation had approximately 351 and 332 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, 2016 and 2015 totaled \$135,775 and \$128,895, 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
2017	\$ 143,798
2018	145,365
2019	142,404
2020	145,537
2021	12,153
Total Minimum Lease Payments	<u>\$ 589,257</u>

MAKE A WISH FOUNDATION® OF GEORGIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 8 TEMPORARILY RESTRICTED NET ASSETS

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

	2016	2015
Time Restrictions	\$ 265,100	\$ 397,292
Purpose Restrictions	306,124	193,354
Total Temporarily Restricted Net Assets	\$ 571,224	\$ 590,646

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, 2016 and 2015 were \$32,180 and \$30,791, 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 \$713,702 and \$577,279 were received from a single donor for the years ended August 31, 2016 and 2015, 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 December 13, 2016, the date at which the financial statements were available to be issued.