

**MAKE-A-WISH FOUNDATION[®] OF PHILADELPHIA & SUSQUEHANNA
VALLEY**

Financial Statements

August 31, 2014

(With Independent Auditors' Report Thereon)

MAKE-A-WISH FOUNDATION[®] OF PHILADELPHIA & SUSQUEHANNA VALLEY

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Independent Auditors' Report

Board of Directors
Make-A-Wish Foundation of Philadelphia & Susquehanna Valley
Blue Bell, Pennsylvania

Report on the Financial Statements

We have audited the accompanying financial statements of Make-A-Wish Foundation of Philadelphia & Susquehanna Valley (the Foundation), which comprise the statement of financial position as of August 31, 2014, and the related statements of activities, cash flows, and functional expenses for the year 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 control 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 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 Philadelphia & Susquehanna Valley as of August 31, 2014, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
December 10, 2014

MAKE-A-WISH FOUNDATION® OF PHILADELPHIA & SUSQUEHANNA VALLEY

Statement of Financial Position

August 31, 2014

Assets	2014
Cash and cash equivalents	\$ 140,005
Investments	2,929,176
Due from related entities	64,684
Prepaid expenses	15,195
Contributions receivable, net	652,434
Other assets	5,742
Property and equipment, net	34,320
Total assets	<u>\$ 3,841,556</u>
Liabilities and Net Assets	
Accounts payable and accrued expenses	\$ 192,898
Accrued pending wish costs	1,630,447
Total liabilities	<u>1,823,345</u>
Net assets	
Unrestricted	1,608,655
Temporarily restricted	409,556
Total net assets	<u>2,018,211</u>
Total liabilities and net assets	<u>\$ 3,841,556</u>

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF PHILADELPHIA & SUSQUEHANNA VALLEY

Statement of Activities

Year Ended August 31, 2014

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Revenues, gains, and other support:			
Public support:			
Contributions	\$ 3,605,539	407,539	4,013,078
Grants	<u>168,695</u>	<u>–</u>	<u>168,695</u>
Total public support	<u>3,774,234</u>	<u>407,539</u>	<u>4,181,773</u>
Internal Special events	380,823	–	380,823
Less costs of direct benefits to donors	<u>(38,334)</u>	<u>–</u>	<u>(38,334)</u>
Total special events	342,489	–	342,489
Investment income, net	58,955	–	58,955
Other income	1,950	–	1,950
Net assets released from restrictions	<u>333,928</u>	<u>(333,928)</u>	<u>–</u>
Total revenues, gains, and other support	<u>4,511,556</u>	<u>73,611</u>	<u>4,585,167</u>
Expenses:			
Program services:			
Wish granting	4,227,281	–	4,227,281
Program-related support	117,243	–	117,243
Public information	<u>117,257</u>	<u>–</u>	<u>117,257</u>
Total program services	<u>4,461,781</u>	<u>–</u>	<u>4,461,781</u>
Support services:			
Fundraising	494,740	–	494,740
Management and general	<u>398,577</u>	<u>–</u>	<u>398,577</u>
Total support services	<u>893,317</u>	<u>–</u>	<u>893,317</u>
Total expenses	<u>5,355,098</u>	<u>–</u>	<u>5,355,098</u>
Change in net assets	(843,542)	73,611	(769,931)
Net assets, beginning of the year	<u>2,452,197</u>	<u>335,945</u>	<u>2,788,142</u>
Net assets, end of the year	<u>\$ 1,608,655</u>	<u>409,556</u>	<u>2,018,211</u>

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF PHILADELPHIA & SUSQUEHANNA VALLEY

Statement of Cash Flows

Year Ended August 31, 2014

	<u>2014</u>
Cash flows from operating activities:	
Change in net assets	\$ (769,931)
Adjustments to reconcile change in net assets to net cash used in operating activities:	
Depreciation and amortization	8,666
Net realized and unrealized losses on investments	26,048
Contributed property and equipment, inventory, and stock	(22,163)
Changes in assets and liabilities:	
Contributions receivable	(169,021)
Due from related entities	4,004
Prepaid expenses	1,262
Other assets	19,547
Accounts payable and accrued expenses	76,458
Accrued pending wish costs	469,752
Net cash used in operating activities	<u>(355,378)</u>
Cash flows from investing activities:	
Purchases of investments	(707,188)
Proceeds from sales of investments	1,077,039
Purchases of property and equipment	(22,612)
Net cash provided by investing activities	<u>347,239</u>
Net decrease in cash and cash equivalents	(8,139)
Cash and cash equivalents, beginning of year	<u>148,144</u>
Cash and cash equivalents, end of year	<u>\$ 140,005</u>
Supplemental cash flow information:	
Donated property and equipment, stock, and inventory	16,613
Contributed services	5,550
In-kind contributions	1,417,245

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF PHILADELPHIA & SUSQUEHANNA VALLEY

Statement of Functional Expenses

Year Ended August 31, 2014

	Program services			Support services			Total	
	Wish granting	Program-related support	Public information	Total program services	Fundraising	Management and general		Total support services
Direct costs of wishes	\$ 3,724,852	–	–	3,724,852	–	–	–	3,724,852
Salaries, taxes, and benefits	251,473	68,553	86,463	406,489	388,433	324,077	712,510	1,118,999
Printing, subscriptions, and publications	618	1,969	4,496	7,083	8,126	491	8,617	15,700
Professional fees	1,131	176	302	1,609	1,257	6,447	7,704	9,313
Rent and utilities	20,656	5,735	5,773	32,164	21,042	17,304	38,346	70,510
Postage and delivery	2,598	1,445	1,467	5,510	4,842	2,091	6,933	12,443
Travel	4,290	8,987	2,171	15,448	8,846	3,965	12,811	28,259
Meetings and conferences	2,733	11,807	2,423	16,963	12,805	5,952	18,757	35,720
Office supplies	4,967	5,661	4,981	15,609	5,174	4,106	9,280	24,889
Communications	11,596	3,215	4,630	19,441	11,267	9,539	20,806	40,247
Repairs and maintenance	4,515	1,099	1,811	7,425	4,342	3,623	7,965	15,390
Insurance	140	58	93	291	95	114	209	500
Membership dues	810	148	250	1,208	2,065	644	2,709	3,917
Grants and scholarships	98,536	–	–	98,536	–	–	–	98,536
National partnership dues	89,648	–	–	89,648	12,643	12,643	25,286	114,934
Miscellaneous	6,114	7,984	1,701	15,799	10,908	5,516	16,424	32,223
Depreciation and amortization	2,604	406	696	3,706	2,895	2,065	4,960	8,666
	<u>\$ 4,227,281</u>	<u>117,243</u>	<u>117,257</u>	<u>4,461,781</u>	<u>494,740</u>	<u>398,577</u>	<u>893,317</u>	<u>5,355,098</u>

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF PHILADELPHIA & SUSQUEHANNA VALLEY

Notes to Financial Statements

August 31, 2014

(1) Organization

Make-A-Wish Foundation® of Philadelphia & Susquehanna Valley (the Foundation) is a Pennsylvania 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 fund raising 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.

Effective September 1, 2014, the National Organization realigned the Foundation's territory to include New Castle County in Delaware. As a result of this alignment, the chapter changed its name to Make-A-Wish Foundation of Philadelphia, Northern Delaware & Susquehanna Valley.

(2) Summary of Significant Accounting Policies

(a) *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).

(b) *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.

(c) *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.

(d) *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. Contributions are written off when deemed uncollectible. As of August 31, 2014, management believes the contributions receivable balance is fully collectible and no allowance is required.

(e) *Property and Equipment, Net*

Property and equipment having 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. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 5 years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the lease(s). 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 PHILADELPHIA & SUSQUEHANNA VALLEY

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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.

(f) *Fair Value Measurements*

Fair value measurements of financial assets and financial liabilities and fair value measurements of nonfinancial items are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Foundation determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets (or liabilities) that the reporting entity has the ability to access at the measurement date.
- Level 2 Inputs: Prices for a similar asset (or liability), other than quoted prices included in Level 1 inputs, that are observable for the asset (or liability), either directly or indirectly. If the asset (or liability) has a specified term, a Level 2 input must be observable for substantially the full term of the asset (or liability).
- Level 3 Inputs: Unobservable inputs for the asset (or liability) used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset (or liability) at measurement date.

See additional information in note 3.

(g) *Net Assets*

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

- **Permanently restricted net assets** – Net assets subject to donor-imposed restrictions that the principal be maintained in perpetuity. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for unrestricted purposes. There were no permanently restricted net assets as of August 31, 2014.
- **Temporarily restricted net assets** – Net assets subject to restrictions imposed by donor or law that may be met either by actions of the Foundation or the passage of time.
- **Unrestricted net assets** – Net assets that are not subject to donor-imposed restrictions or law.

(h) *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

MAKE-A-WISH FOUNDATION® OF PHILADELPHIA & SUSQUEHANNA VALLEY

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future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. Amortization of the discounts is recorded as additional contribution revenue. Conditional promises are recorded as revenue once the conditions are substantially met. Contributions, grants, and bequests are recognized as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. When restrictions are met in the same period as the contribution is received, the Foundation records the contribution and the expense as unrestricted. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Foundation received in-kind contributions of assets and services that are included in the accompanying statements of activities as follows:

Contributions:

Wish related contributions	\$	987,631
Professional services		5,550
Property and equipment		9,320
Other		7,858
Total	\$	<u>1,010,359</u>

Special event revenue:

Internal special events	\$	<u>210</u>
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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.

Program or supporting services expenses were recorded at fair value totaling \$1,010,359 in 2014.

Wish related in-kind contributions consisted of the following:

Computer equipment, games and toys	\$	5,912
Lodging		170,083
Theme parks		658,808
Transportation		113,267
Other wish-related donations		39,561
Total	\$	<u>987,631</u>

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Notes to Financial Statements

August 31, 2014

(i) ***Income Taxes***

The Foundation is a not-for-profit organization exempt from federal income and Pennsylvania income taxes under the provisions of Internal Revenue Code Section 501(c)(3). Management believes that no uncertain tax positions exist for the Foundation at August 31, 2014.

The Foundation's tax returns are subject to review and examination by the Federal and State authorities. The Foundation is not aware of any activities that would jeopardize its tax-exempt status. The Foundation is not aware of any activities that are subject to tax on unrelated business income or excise taxes. The tax returns for the fiscal years ending 2010 to 2013 are open to examination by Federal and State authorities.

(j) ***Functional Expenses***

The Foundation performs five functions: wish granting, program-related support, public information, fund raising, and management and general. Definitions of these functions are as follows:

Wish Granting

Activities performed by the Foundation that grant wishes to children with life-threatening medical conditions.

Program-Related Support

Activities performed by the Foundation related to the wish program including the identification of wish candidates and the determination and delivery of each wish. Specific activities include, but are not limited to, the development of wish resources, handling of wish referrals, and administration of the wish program.

Public Information

Activities performed by the Foundation communicating the purpose and services of the Foundation to all potential sources of wish referrals.

Fund Raising

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 fund raising 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 PHILADELPHIA & SUSQUEHANNA VALLEY

Notes to Financial Statements

August 31, 2014

(k) 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 has increased the degree of uncertainty inherent in those estimates and assumptions.

(3) Fair Value Measurements

(a) Fair Value of Financial Instruments

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair values of the financial instruments shown in the following table(s) as of August 31, 2014 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

The Foundation has adopted ASC Topic 820 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis (see note 2).

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

MAKE-A-WISH FOUNDATION® OF PHILADELPHIA & SUSQUEHANNA VALLEY

Notes to Financial Statements

August 31, 2014

(b) Fair Value Hierarchy

The following table presents the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at August 31, 2014:

<u>Description</u>	<u>August 31, 2014</u>	<u>prices in active markets for identical assets (Level 1)</u>	<u>Significant other observable inputs (Level 2)</u>
Assets:			
Recurring:			
Investments:			
Cash and Cash Equivalents	\$ 105,450	105,450	-
Mutual funds:			
Bonds	843,544	843,544	-
Certificates of deposit	1,980,182	-	1,980,182
	<u>\$ 2,929,176</u>	<u>948,994</u>	<u>1,980,182</u>

For the valuation of mutual funds invested in bonds at August 31, 2014, the Foundation used quoted prices in active markets for the underlying securities in the funds as of the valuation date (Level 1).

For valuation of certificates of deposit at August 31, 2014 the Foundation used a pricing service using interest rates to determine fair market value as of the valuation date (Level 2).

The Foundation had no assets and liabilities valued using significant unobservable inputs (Level 3) at August 31, 2014.

There were no transfers among Levels 1, 2, and 3 during the year ended August 31, 2014.

Total investment income, gains, and losses for the year ended August 31, 2014 consist of the following:

Interest and dividend income	\$ 85,003
Realized and unrealized losses, net	<u>(26,048)</u>
Investment income, net	<u>\$ 58,955</u>

MAKE-A-WISH FOUNDATION® OF PHILADELPHIA & SUSQUEHANNA VALLEY

Notes to Financial Statements

August 31, 2014

(4) Contributions Receivable

Contributions receivable at August 31, 2014. The following is a summary of the Foundation's contributions receivable at August 31, 2014:

Total amounts due in:	
One year	\$ <u>652,434</u>
Contributions receivable, net	\$ <u><u>652,434</u></u>

(5) Transactions with Related Entities

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel and training scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the year ended August 31, 2014, the Foundation received \$756,039 from these national revenue streams.

Conversely, the chapter pays amounts to the National Organization for annual dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation. Amounts totaling \$214,385 were paid from the Foundation to the National Organization during the year ended August 31, 2014.

These amounts are recorded in the Statement of Activities as public support revenue.

Chapters who assist with the organization and granting of wishes from other chapters are paid a "fee for service" called the wish assist fee. Under this program, the Foundation received \$1,950 for the year ended August 31, 2014, which is recorded in the accompanying statements of activities as other income.

Amounts due from and to related entities are as follows:

Balance at August 31, 2014:	
Due from National Organization	\$ 60,530
Due from other chapters	<u>4,154</u>
Total due from related entities	\$ <u><u>64,684</u></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 2014 the Foundation received contributions, both cash and in-kind, from board members totaling \$24,402.

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Notes to Financial Statements

August 31, 2014

(6) Property and Equipment, Net

Property and equipment as of August 31, 2014 consist of the following:

Computer equipment and software	\$	49,578
Office furniture		12,552
Other equipment		<u>17,868</u>
		79,998
Less accumulated depreciation and amortization		<u>(45,678)</u>
Property and equipment, net	\$	<u><u>34,320</u></u>

Depreciation and amortization expense totaled \$8,666 for the year ended August 31, 2014.

(7) Accrued Pending Wish Costs

The Foundation accrues for estimated costs of reportable pending wishes as unconditional promises to give when five certain, measurable wish criteria are met. Prior to meeting these five criteria, the wish is considered a conditional promise to give due to the inherent uncertainties surrounding these criteria and is therefore not accrued as a pending wish liability. Reportable pending wish criteria include:

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

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, 2014, the Foundation had 155 reportable pending wishes.

(8) Leases

The Foundation is obligated under various capital and operating leases for offices and equipment, which expire at various dates through 8/31/19. Total rent expense for all operating leases for the year ended August 31, 2014 totaled \$85,576.

MAKE-A-WISH FOUNDATION® OF PHILADELPHIA & SUSQUEHANNA VALLEY

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August 31, 2014

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

	<u>Operating leases</u>
Year ending August 31:	
2015	\$ 93,369
2016	80,380
2017	77,384
2018	79,585
2019	<u>67,848</u>
Total minimum lease payments	<u>\$ 398,566</u>

(9) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes for the year ended August 31, 2014:

Time restrictions	\$ <u>409,556</u>
Total temporarily restricted net assets	<u>\$ 409,556</u>

(10) Retirement Plan

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of one year of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 4% of the employee's salary. Foundation contributions to the Plan for the year ended August 31, 2014 were \$24,109.

(11) Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash, cash equivalents, and investments. The Foundation places its cash and investments with high credit quality financial institutions and generally limits the amount of credit exposure not to exceed the FDIC insurance coverage limit of \$250,000. From time to time throughout the year, the Foundation's cash balances may exceed the amount of the FDIC insurance coverage.

In-kind contributions totaling \$686,103 were received from a single donor for the year ended August 31, 2014, which represents 15% of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

MAKE-A-WISH FOUNDATION® OF PHILADELPHIA & SUSQUEHANNA VALLEY

Notes to Financial Statements

August 31, 2014

(12) Litigation and Claims

The Foundation is 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.

(13) Subsequent Events

The Foundation has evaluated subsequent events from the statement of financial position date through December 10, 2014, the date at which the financial statements were available to be issued.