

**MAKE-A-WISH® FOUNDATION OF
NORTHEAST NEW YORK**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2016 AND 2015

**MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Make-A-Wish® Foundation of Northeast New York
Albany, New York

We have audited the accompanying financial statements of Make-A-Wish® Foundation of Northeast New York, 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.

Board of Directors
Make-A-Wish® Foundation of Northeast New York

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 Northeast New York 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

Boston, Massachusetts
April 21, 2017

MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2016 AND 2015

	2016	2015
ASSETS		
Cash and Cash Equivalents	\$ 429,977	\$ 248,393
Investments	2,557,620	2,464,658
Endowment Assets Held by Related Entity	39,747	23,207
Due from Related Entities	731	18,341
Prepaid Expenses	16,687	14,542
Contributions Receivable, Net	607,182	702,596
Property and Equipment, Net	100,667	117,854
Total Assets	\$ 3,752,611	\$ 3,589,591
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 102,233	\$ 70,820
Accrued Pending Wish Costs - Cash	89,595	212,665
Accrued Pending Wish Costs - In-Kinds	120,010	134,153
Due to Related Entities	3,832	4,020
Other Liabilities	8,750	18,380
Total Liabilities	324,420	440,038
NET ASSETS		
Unrestricted	2,725,087	2,547,736
Temporarily Restricted	452,286	492,984
Permanently Restricted	250,818	108,833
Total Net Assets	3,428,191	3,149,553
Total Liabilities and Net Assets	\$ 3,752,611	\$ 3,589,591

See accompanying Notes to Financial Statements.

MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2016
(WITH COMPARATIVE SUMMARIZED TOTALS FOR 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
REVENUES, GAINS, AND OTHER SUPPORT					
Public Support:					
Contributions, Net of Write-Offs	\$ 1,558,522	\$ 93,455	\$ 134,184	\$ 1,786,161	\$ 1,930,971
Grants	148,546	-	-	148,546	112,000
Total Public Support	<u>1,707,068</u>	<u>93,455</u>	<u>134,184</u>	<u>1,934,707</u>	<u>2,042,971</u>
Internal Special Events	415,551	-	-	415,551	454,968
Less Costs of Direct Benefits to Donors	(113,846)	-	-	(113,846)	(95,442)
Total Special Events	<u>301,705</u>	<u>-</u>	<u>-</u>	<u>301,705</u>	<u>359,526</u>
Investment Income (Loss), Net	194,066	-	-	194,066	(11,934)
Reclassification of Net Assets	(7,801)	-	7,801	-	-
Other Income	570	-	-	570	45
Net Assets Released from Restrictions	134,153	(134,153)	-	-	-
Total Revenues, Gains, and Other Support	<u>2,329,761</u>	<u>(40,698)</u>	<u>141,985</u>	<u>2,431,048</u>	<u>2,390,608</u>
EXPENSES					
Program Services:					
Wish Granting	1,606,883	-	-	1,606,883	1,443,810
Total Program Services	<u>1,606,883</u>	<u>-</u>	<u>-</u>	<u>1,606,883</u>	<u>1,443,810</u>
Support Services:					
Fundraising	403,189	-	-	403,189	395,103
Management and General	142,338	-	-	142,338	146,572
Total Support Services	<u>545,527</u>	<u>-</u>	<u>-</u>	<u>545,527</u>	<u>541,675</u>
Total Program and Support Services Expense	<u>2,152,410</u>	<u>-</u>	<u>-</u>	<u>2,152,410</u>	<u>1,985,485</u>
CHANGES IN NET ASSETS	177,351	(40,698)	141,985	278,638	405,123
Net Assets - Beginning of Year	<u>2,547,736</u>	<u>492,984</u>	<u>108,833</u>	<u>3,149,553</u>	<u>2,744,430</u>
NET ASSETS - END OF YEAR	<u>\$ 2,725,087</u>	<u>\$ 452,286</u>	<u>\$ 250,818</u>	<u>\$ 3,428,191</u>	<u>\$ 3,149,553</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2015**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT				
Public Support:				
Contributions, Net of Write-Offs	\$ 1,352,361	\$ 492,984	\$ 85,626	\$ 1,930,971
Grants	112,000	-	-	112,000
Total Public Support	<u>1,464,361</u>	<u>492,984</u>	<u>85,626</u>	<u>2,042,971</u>
Internal Special Events	454,968	-	-	454,968
Less Costs of Direct Benefits to Donors	(95,442)	-	-	(95,442)
Total Special Events	<u>359,526</u>	<u>-</u>	<u>-</u>	<u>359,526</u>
Investment Loss, Net	(11,934)	-	-	(11,934)
Reclassification of Net Assets	(23,207)	-	23,207	-
Other Income	45	-	-	45
Net Assets Released from Restrictions	116,819	(116,819)	-	-
Total Revenues, Gains, and Other Support	<u>1,905,610</u>	<u>376,165</u>	<u>108,833</u>	<u>2,390,608</u>
EXPENSES				
Program Services:				
Wish Granting	1,443,810	-	-	1,443,810
Total Program Services	<u>1,443,810</u>	<u>-</u>	<u>-</u>	<u>1,443,810</u>
Support Services:				
Fundraising	395,103	-	-	395,103
Management and General	146,572	-	-	146,572
Total Support Services	<u>541,675</u>	<u>-</u>	<u>-</u>	<u>541,675</u>
Total Program and Support Services Expense	<u>1,985,485</u>	<u>-</u>	<u>-</u>	<u>1,985,485</u>
CHANGES IN NET ASSETS	(79,875)	376,165	108,833	405,123
Net Assets - Beginning of Year	<u>2,627,611</u>	<u>116,819</u>	<u>-</u>	<u>2,744,430</u>
NET ASSETS - END OF YEAR	<u>\$ 2,547,736</u>	<u>\$ 492,984</u>	<u>\$ 108,833</u>	<u>\$ 3,149,553</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2016 AND 2015**

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 278,638	\$ 405,123
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	17,187	18,297
Bad Debt Expense	-	11,950
Net Realized and Unrealized (Gains) Losses on Investments	(149,632)	56,599
Change in Discount to Present Value of Contributions Receivable	(3,889)	-
Changes in Assets and Liabilities:		
Contributions Receivable	99,303	(491,626)
Endowment Assets Held by Related Entity	(16,540)	(23,207)
Due from Related Entities	17,610	(13,403)
Prepaid Expenses	(2,145)	1,355
Accounts Payable and Accrued Expenses	31,413	(34,273)
Accrued Pending Wish Costs	(137,213)	139,507
Due to Related Entities	(188)	4,020
Other Liabilities	(9,630)	2,090
Net Cash Provided by Operating Activities	124,914	76,432
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(528,470)	(958,648)
Proceeds from Sales of Investments	585,140	1,124,152
Purchases of Property and Equipment	-	(117,911)
Net Cash Provided by Investing Activities	56,670	47,593
NET INCREASE IN CASH AND CASH EQUIVALENTS	181,584	124,025
Cash and Cash Equivalents - Beginning of Year	248,393	124,368
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 429,977	\$ 248,393

See accompanying Notes to Financial Statements.

MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
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	\$ 1,133,971	\$ -	\$ -	\$ -	\$ 1,133,971
Salaries, Taxes, and Benefits	329,767	228,843	70,779	299,622	629,389
Printing, Subscriptions, and Publications	12,254	9,448	1,294	10,742	22,996
Professional Fees	7,872	802	308	1,110	8,982
Rent and Utilities	37,424	20,553	9,842	30,395	67,819
Postage and Delivery	6,300	7,898	320	8,218	14,518
Travel	4,818	9,100	4,308	13,408	18,226
Meetings and Conferences	4,352	97,154	2,819	99,973	104,325
Office Supplies	2,870	1,345	1,857	3,202	6,072
Communications	7,471	2,869	1,930	4,799	12,270
Repairs and Maintenance	8,562	4,058	1,742	5,800	14,362
Membership Dues	671	894	845	1,739	2,410
National Partnership Dues	50,551	7,722	6,475	14,197	64,748
Miscellaneous	-	12,503	22,632	35,135	35,135
Depreciation and Amortization	-	-	17,187	17,187	17,187
Total Expenses	<u>\$ 1,606,883</u>	<u>\$ 403,189</u>	<u>\$ 142,338</u>	<u>\$ 545,527</u>	<u>\$ 2,152,410</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2015

	Program Services	Support Services			Total
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,026,449	\$ -	\$ -	\$ -	\$ 1,026,449
Salaries, Taxes, and Benefits	287,786	194,814	70,996	265,810	553,596
Printing, Subscriptions, and Publications	14,992	16,015	715	16,730	31,722
Professional Fees	9,943	1,907	4,637	6,544	16,487
Rent and Utilities	30,224	23,840	10,614	34,454	64,678
Postage and Delivery	4,645	6,844	297	7,141	11,786
Travel	2,114	12,085	2,781	14,866	16,980
Meetings and Conferences	2,459	105,174	2,443	107,617	110,076
Office Supplies	3,538	1,663	1,727	3,390	6,928
Communications	10,806	2,916	1,846	4,762	15,568
Repairs and Maintenance	4,096	706	2,129	2,835	6,931
Bad Debt Expense	-	11,950	-	11,950	11,950
Membership Dues	431	600	1,025	1,625	2,056
National Partnership Dues	46,127	7,788	5,991	13,779	59,906
Miscellaneous	200	8,801	23,074	31,875	32,075
Depreciation and Amortization	-	-	18,297	18,297	18,297
Total Expenses	<u>\$ 1,443,810</u>	<u>\$ 395,103</u>	<u>\$ 146,572</u>	<u>\$ 541,675</u>	<u>\$ 1,985,485</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 1 ORGANIZATION

Make-A-Wish® Foundation of Northeast New York (the Foundation) is a New York nonprofit 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 trustees.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) applicable to nonprofit entities.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Included in cash and cash equivalents at August 31, 2016 and 2015 is \$188,233 and \$112,110, respectively, of money market mutual funds.

Investments

Investments are recorded at fair value. Investment income, including gains and losses on investments, is recorded as increases or decreases in unrestricted net assets unless its use is limited by donor-imposed restrictions or law.

Contributions Receivable

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

Property and Equipment, Net

Property and equipment having a unit cost greater than \$1,000 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 three to five years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the lease.

MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment, Net (Continued)

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

Fair Value Measurements

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

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

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

See additional information in Note 3.

**MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

Permanently restricted net assets

Net assets subject to donor-imposed restrictions that the principal be maintained in perpetuity. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for unrestricted purposes.

Temporarily restricted net assets

Net assets subject to restrictions imposed by donor or law that may be met either by actions of the Foundation or the passage of time.

Unrestricted net assets

Net assets that are not subject to donor-imposed restrictions or law.

Revenue Recognition

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

MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
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:

	Programs	Support Services		2016 Total
		Fundraising	Management and General	
Program and Support Service Expenses				
Wish Related	\$ 475,130	\$ -	\$ -	\$ 475,130
Other	-	21,840	-	21,840
Total Program and Support Service Expenses	<u>\$ 475,130</u>	<u>\$ 21,840</u>	<u>\$ -</u>	<u>\$ 496,970</u>

The Foundation received in-kind contributions of assets and services that are reported as follows at August 31, 2015:

	Programs	Support Services		2015 Total
		Fundraising	Management and General	
Program and Support Service Expenses				
Wish Related	\$ 406,937	\$ -	\$ -	\$ 406,937
Professional Services	-	-	3,666	3,666
Other	800	9,435	-	10,235
Total Program and Support Service Expenses	<u>\$ 407,737</u>	<u>\$ 9,435</u>	<u>\$ 3,666</u>	<u>\$ 420,838</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.

Advertising and media is used to help the Foundation communicate its message or mission and includes fund raising 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.

**MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and New York State taxes under the provisions of Internal Revenue Code Section 501(c)(3) and of the New York State tax 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, 2016 and 2015.

Functional Expenses

The Foundation performs three functions: wish granting, fundraising, and management and general. Definitions of these functions are as follows:

Wish Granting

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

Fundraising

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations.

During the fiscal years ended August 31, 2016 and 2015, the Foundation incurred no significant joint costs for activities that included fundraising appeals.

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 NORTHEAST NEW YORK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, valuation of investments and contributions receivable, accrued pending wish costs, net of attrition on pending wish costs and whether an allowance for uncollectible contributions receivable is required. The current economic environment continues to create a high degree of uncertainty in those estimates and assumptions.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying 2015 financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

NOTE 3 FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

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

The fair values of the financial instruments shown in the following tables as of August 31, 2016 and 2015 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

Investments

Overall Investment Objective

The overall investment objective of the Foundation is to invest its assets in a prudent manner that will have growth of principal, preservation of purchasing power and sufficient liquidity to meet all expected and unexpected cash flow needs. The Foundation diversifies its investments among various asset classes incorporating multiple strategies and the use of an investment manager. 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 NORTHEAST NEW YORK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy

The following table presents the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at August 31, 2016:

	Fair Value Measurements at August 31, 2016 Using			Total
	(Level 1)	(Level 2)	(Level 3)	
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 1,306,065	\$ -	\$ -	\$ 1,306,065
Bonds	52,445	-	-	52,445
Exchange-Traded Funds:				
Domestic Equity	441,173	-	-	441,173
Certificates of Deposit	-	100,303	-	100,303
Debt Securities:				
U.S. Treasury	-	454,750	-	454,750
Corporate	-	202,884	-	202,884
Total	<u>\$ 1,799,683</u>	<u>\$ 757,937</u>	<u>\$ -</u>	<u>\$ 2,557,620</u>

The following table presents the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at August 31, 2015:

	Fair Value Measurements at August 31, 2015 Using			Total
	(Level 1)	(Level 2)	(Level 3)	
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 1,330,920	\$ -	\$ -	\$ 1,330,920
Bonds	46,829	-	-	46,829
Exchange-Traded Funds:				
Domestic Equity	314,625	-	-	314,625
Certificates of Deposit	-	323,118	-	323,118
Debt Securities:				
U.S. Treasury	-	350,094	-	350,094
Corporate	-	99,072	-	99,072
Total	<u>\$ 1,692,374</u>	<u>\$ 772,284</u>	<u>\$ -</u>	<u>\$ 2,464,658</u>

For the valuation of Level 2 investments at August 31, 2016 and 2015, the Foundation used significant other observable inputs, particularly dealer market prices for comparable investments as of the valuation date (Level 2).

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NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

Total investment income, gains, and losses for the years ended August 31, 2016 and 2015 consist of the following:

	2016	2015
Interest and Dividend Income	\$ 44,434	\$ 44,665
Realized and Unrealized Gains (Losses), Net	149,632	(56,599)
Investment Income (Loss), Net	\$ 194,066	\$ (11,934)

Investment expenses amounted to \$20,760 and \$20,029 for the years ended August 31, 2016 and 2015, respectively.

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at a rate of 5% at 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	\$ 199,699	\$ 330,217
Two to Five Years	335,587	288,314
More than Five Years	174,828	183,108
Gross Contributions Receivable	710,114	801,639
Less: Discount to Present Value	(102,932)	(99,043)
Contributions Receivable, Net	\$ 607,182	\$ 702,596

NOTE 5 TRANSACTIONS WITH RELATED ENTITIES

The Foundation received the following distributions from the National Organization for the years ended August 31:

	2016	2015
Corporate, Online, Whitemail, and General Contributions	\$ 229,547	\$ 228,606
Grants	-	200
Other	22,185	1,833
Total Distributions Received	\$ 251,732	\$ 230,639

These amounts are recorded in the statements of activities as public support revenue.

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NOTE 5 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

The Foundation paid to the National Organization the following amounts for the years ended August 31:

	<u>2016</u>	<u>2015</u>
Partnership Dues	\$ 64,748	\$ 59,905
Other	198	21
Total Amounts Paid	<u>\$ 64,946</u>	<u>\$ 59,926</u>

Amounts due from and to related entities are as follows:

	<u>2016</u>	<u>2015</u>
Balance at August 31:		
Due from National Organization	\$ 731	\$ 18,341
Endowment Assets Held By National	39,747	23,207
Total Due from Related Entities	<u>\$ 40,478</u>	<u>\$ 41,548</u>
Due to Other Chapters	\$ 3,832	\$ 4,020
Total Due to Related Entities	<u>\$ 3,832</u>	<u>\$ 4,020</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 and the endowment fund. 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 \$49,322 and \$49,954, respectively. In 2016 and 2015, amounts due from board members totaled \$-0- and \$125, respectively, and are included in contributions receivable in the accompanying statements of financial position. Amounts paid to related parties for goods and services used in the Foundation's operations totaled \$4,840 and \$26,565 in 2016 and 2015, respectively.

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NOTE 6 PROPERTY AND EQUIPMENT, NET

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

	2016	2015
Computer Equipment and Software	\$ 97,684	\$ 97,684
Office Furniture	23,379	23,379
Leasehold Improvements	80,923	80,923
	<u>201,986</u>	<u>201,986</u>
Less: Accumulated Depreciation and Amortization	<u>(101,319)</u>	<u>(84,132)</u>
Property and Equipment, Net	<u>\$ 100,667</u>	<u>\$ 117,854</u>

Depreciation and amortization expense totaled \$17,187 and \$18,297 for the years ended August 31, 2016 and 2015, respectively.

NOTE 7 ACCRUED PENDING WISH COSTS

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

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

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 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 \$3,476,138.

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 27 and 41 reportable pending wishes, respectively.

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NOTE 8 LEASES

The Foundation is obligated under an operating lease for office space, which expires on November 30, 2021. Total rent expense for the operating lease for the years ended August 31, 2016 and 2015 totaled \$61,200 and \$55,800, respectively.

Future minimum lease payments under the operating lease are as follows:

<u>Year Ending August 31,</u>	<u>Operating Leases</u>
2017	\$ 61,200
2018	61,200
2019	61,200
2020	61,200
2021	61,200
2021 and Thereafter	15,300
Total Minimum Lease Payments	<u>\$ 321,300</u>

NOTE 9 ENDOWMENT

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

The Foundation's endowment consists of two donor-restricted funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets are reflected in cash and endowment assets held by related entity.

Interpretation of Relevant Law

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

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NOTE 9 ENDOWMENT (CONTINUED)

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Changes in endowment net assets for the years ended August 31 is as follows:

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment Net Assets - Beginning of Year	\$ -	\$ -	\$ 23,207	\$ 23,207
Contributions Received	-	-	41,269	41,269
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 64,476</u>	<u>\$ 64,476</u>
	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets - Beginning of Year	\$ -	\$ -	\$ -	\$ -
Contributions Received	-	-	23,207	23,207
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,207</u>	<u>\$ 23,207</u>

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NOTE 10 TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

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

	2016	2015
Time Restrictions	\$ 380,223	\$ 358,831
Purpose Restrictions	72,063	134,153
Total Temporarily Restricted Net Assets	\$ 452,286	\$ 492,984

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

	2016	2015
Time Restrictions (Pledge)	\$ 186,342	\$ 85,626
Assets Held in Perpetuity	64,476	23,207
Total Permanently Restricted Net Assets	\$ 250,818	\$ 108,833

NOTE 11 RETIREMENT PLAN

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of one year of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation will contribute 2.0% of base salary that an employee contributes to his/her 403(b) account; the Foundation will contribute an additional 0.5% up to 1.0%. Thus, the Foundation will contribute a maximum of 3.0% of base salary to an employee's 403(b) account. Foundation contributions to the Plan for the years ended August 31, 2016 and 2015 were \$13,273 and \$14,228, respectively.

NOTE 12 CONCENTRATIONS OF CREDIT RISK

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

In-kind contributions totaling \$262,374 and \$202,640 were received from a single donor for the years ended August 31, 2016 and 2015, respectively, which represents 14% and 10%, respectively, of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

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NOTE 13 LITIGATION AND CLAIMS

The Foundation may be, from time-to-time, involved in litigation and claims arising in the ordinary course of business. In the opinion of management, there is no pending litigation that would have a material adverse effect on the Foundation's financial position, change in net assets, or liquidity.

NOTE 14 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through April 21, 2017, the date at which the financial statements were available to be issued.