



**MAKE-A-WISH FOUNDATION<sup>®</sup> OF NORTHEAST NEW YORK**

Financial Statements

August 31, 2013 and 2012

(With Independent Auditors' Report Thereon)

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

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KPMG LLP  
345 Park Avenue  
New York, NY 10154

## **Independent Auditors' Report**

The Board of Directors  
Make-A-Wish Foundation<sup>®</sup> of Northeast New York:

We have audited the accompanying financial statements of Make-A-Wish Foundation<sup>®</sup> of Northeast New York (the Foundation), which comprise the statements of financial position as of August 31, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows 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 U.S. generally accepted accounting principles; 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 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 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 Northeast New York as of August 31, 2013 and 2012, and the changes in its net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

KPMG LLP

February 20, 2014

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

Statements of Financial Position

August 31, 2013 and 2012

<b>Assets</b>	<b>2013</b>	<b>2012</b>
Cash and cash equivalents	\$ 181,562	303,649
Investments	2,415,255	2,109,853
Due from related entities	21,758	25,716
Prepaid expenses and other assets	10,620	13,692
Contributions receivable	236,109	118,958
Property and equipment, net	19,698	25,587
Total assets	\$ <u>2,885,002</u>	<u>2,597,455</u>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 74,913	83,117
Accrued pending wish costs	295,489	165,562
Other liabilities	18,550	15,405
Total liabilities	<u>388,952</u>	<u>264,084</u>
Commitments and contingencies		
Net assets:		
Unrestricted	2,379,291	2,236,053
Temporarily restricted	116,759	97,318
Total net assets	<u>2,496,050</u>	<u>2,333,371</u>
Total liabilities and net assets	\$ <u>2,885,002</u>	<u>2,597,455</u>

See accompanying notes to financial statements.

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

Statement of Activities

Year ended August 31, 2013

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Revenues, gains, and other support:			
Public support:			
Contributions	\$ 1,048,090	116,759	1,164,849
Grants	31,275	—	31,275
Total public support	<u>1,079,365</u>	<u>116,759</u>	<u>1,196,124</u>
Internal special events	456,486	—	456,486
Less costs of direct benefits to donors	<u>(73,326)</u>	<u>—</u>	<u>(73,326)</u>
Total special events, net	383,160	—	383,160
Investment income, net	304,932	—	304,932
Other income	1,539	—	1,539
Net assets released from restrictions	<u>97,318</u>	<u>(97,318)</u>	<u>—</u>
Total revenues, gains, and other support	<u>1,866,314</u>	<u>19,441</u>	<u>1,885,755</u>
Expenses:			
Program services:			
Wish granting	<u>1,310,262</u>	<u>—</u>	<u>1,310,262</u>
Total program services	<u>1,310,262</u>	<u>—</u>	<u>1,310,262</u>
Support services:			
Fundraising	294,723	—	294,723
Management and general	<u>118,091</u>	<u>—</u>	<u>118,091</u>
Total support services	<u>412,814</u>	<u>—</u>	<u>412,814</u>
Total program and support services expenses	<u>1,723,076</u>	<u>—</u>	<u>1,723,076</u>
Change in net assets	143,238	19,441	162,679
Net assets, beginning of the year	<u>2,236,053</u>	<u>97,318</u>	<u>2,333,371</u>
Net assets, end of the year	<u>\$ 2,379,291</u>	<u>116,759</u>	<u>2,496,050</u>

See accompanying notes to financial statements.

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

Statement of Activities

Year ended August 31, 2012

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Revenues, gains, and other support:			
Public support:			
Contributions	\$ 997,080	97,318	1,094,398
Grants	29,300	—	29,300
Total public support	<u>1,026,380</u>	<u>97,318</u>	<u>1,123,698</u>
Internal special events	490,622	—	490,622
Less costs of direct benefits to donors	<u>(62,883)</u>	<u>—</u>	<u>(62,883)</u>
Total special events, net	427,739	—	427,739
Investment income, net	196,272	—	196,272
Other income	458	—	458
Net assets released from restrictions	<u>197,918</u>	<u>(197,918)</u>	<u>—</u>
Total revenues, gains, and other support	<u>1,848,767</u>	<u>(100,600)</u>	<u>1,748,167</u>
Expenses:			
Program services:			
Wish granting	<u>1,194,732</u>	<u>—</u>	<u>1,194,732</u>
Total program services	<u>1,194,732</u>	<u>—</u>	<u>1,194,732</u>
Support services:			
Fundraising	347,276	—	347,276
Management and general	<u>131,187</u>	<u>—</u>	<u>131,187</u>
Total support services	<u>478,463</u>	<u>—</u>	<u>478,463</u>
Total program and support services expenses	<u>1,673,195</u>	<u>—</u>	<u>1,673,195</u>
Total expenses and losses	<u>1,673,195</u>	<u>—</u>	<u>1,673,195</u>
Change in net assets	175,572	(100,600)	74,972
Net assets, beginning of the year	<u>2,060,481</u>	<u>197,918</u>	<u>2,258,399</u>
Net assets, end of the year	<u>\$ 2,236,053</u>	<u>97,318</u>	<u>2,333,371</u>

See accompanying notes to financial statements.

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

## Statements of Cash Flows

Years ended August 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	\$ 162,679	74,972
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	10,853	9,812
Net realized and unrealized gains on investments	(253,733)	(158,712)
Changes in operating assets and liabilities:		
Contributions receivable	(117,151)	78,960
Due from related entities	3,958	(4,259)
Prepaid expenses and other assets	3,072	(1,373)
Accounts payable and accrued expenses	(8,204)	32,269
Accrued pending wish costs	129,927	(43,493)
Other liabilities	3,145	(20,955)
Net cash used in operating activities	<u>(65,454)</u>	<u>(32,779)</u>
Cash flows from investing activities:		
Purchases of investments	(720,202)	(2,335,168)
Proceeds from sales of investments	668,533	2,542,455
Purchases of property and equipment	(4,964)	(7,187)
Net cash (used in) provided by investing activities	<u>(56,633)</u>	<u>200,100</u>
Net (decrease) increase in cash and cash equivalents	(122,087)	167,321
Cash and cash equivalents, beginning of year	<u>303,649</u>	<u>136,328</u>
Cash and cash equivalents, end of year	<u>\$ 181,562</u>	<u>303,649</u>
Supplemental cash flow information:		
In-kind contributions	330,444	290,783

See accompanying notes to financial statements.



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

Statement of Functional Expenses

Year ended August 31, 2013

	<b>Program services</b>	<b>Support services</b>		<b>Total</b>
	<b>Wish granting</b>	<b>Fundraising</b>	<b>Management and general</b>	
Direct costs of wishes	\$ 835,782	—	—	835,782
Salaries, taxes, and benefits	332,697	141,632	71,940	546,269
Printing, subscriptions, and publications	10,439	20,756	537	31,732
Professional fees	4,104	1,284	373	5,761
Rent and utilities	37,770	4,721	4,721	47,212
Postage and delivery	8,285	6,359	174	14,818
Travel	7,849	5,023	2,948	15,820
Meetings and conferences	2,105	97,688	3,372	103,165
Office supplies	4,643	816	943	6,402
Communications	4,240	608	638	5,486
Repairs and maintenance	7,608	1,856	1,092	10,556
Membership dues	—	815	163	978
National partnership dues	47,666	7,240	5,430	60,336
Miscellaneous	20	3,212	24,674	27,906
Depreciation and amortization	7,054	2,713	1,086	10,853
	<u>\$ 1,310,262</u>	<u>294,723</u>	<u>118,091</u>	<u>1,723,076</u>

See accompanying notes to financial statements.

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

Statement of Functional Expenses

Year ended August 31, 2012

	<b>Program services</b>	<b>Support services</b>		<b>Total</b>
	<b>Wish granting</b>	<b>Fundraising</b>	<b>Management and general</b>	
Direct costs of wishes	\$ 712,859	—	—	712,859
Salaries, taxes, and benefits	301,051	151,828	88,897	541,776
Printing, subscriptions, and publications	13,520	6,303	320	20,143
Professional fees	24,010	2,049	282	26,341
Rent and utilities	38,177	4,772	4,772	47,721
Postage and delivery	3,752	4,026	165	7,943
Travel	12,149	11,498	710	24,357
Meetings and conferences	21,927	150,868	5,309	178,104
Office supplies	3,204	621	893	4,718
Communications	4,133	611	685	5,429
Repairs and maintenance	8,573	2,346	1,061	11,980
Membership dues	—	530	1,709	2,239
National partnership dues	44,717	7,550	5,807	58,074
Miscellaneous	282	1,821	19,596	21,699
Depreciation and amortization	6,378	2,453	981	9,812
	<u>\$ 1,194,732</u>	<u>347,276</u>	<u>131,187</u>	<u>1,673,195</u>

See accompanying notes to financial statements.

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

## Notes to Financial Statements

August 31, 2013 and 2012

### (1) Organization

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

### (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.

#### (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. Included in cash and cash equivalents at August 31, 2013 and 2012 is \$11,685 and \$111,431, respectively, of money market mutual funds.

#### (c) Investments

Investments are recorded at fair value based on quoted market prices. 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.

#### (e) Property and Equipment, Net

Property and equipment having a useful life of more than one year are stated 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. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 15 years. 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

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

### Notes to Financial Statements

August 31, 2013 and 2012

value. Fair value is determined through various valuation techniques including quoted market values and third-party independent appraisals, as considered necessary. There were no adjustments required.

(f) ***Fair Value Measurements***

The Foundation follows the provisions of Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, 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. ASC Topic 820 defines fair value as 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. ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

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. The Foundation had no permanently restricted net assets at August 31, 2013 and 2012.
- **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.

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

## Notes to Financial Statements

August 31, 2013 and 2012

### (h) *Revenue Recognition*

Unconditional promises to give are recorded as contributions revenue when the promise is received. 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:

	<u>2013</u>	<u>2012</u>
Contributions:		
Wish related	\$ 319,955	268,463
Professional services	10,489	22,320
Total	<u>\$ 330,444</u>	<u>290,783</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 market value that are used in facilitating the event. Examples of such donated items are generally food, beverage, facility costs, and auction items.

### (i) *Income Taxes*

The Foundation is a not-for-profit organization exempt from federal income and New York State taxes under the provisions of Internal Revenue Code (IRC) 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.

The Foundation has adopted ASC Topic 740, *Income Taxes*, which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides guidance on de-recognition, classification, interest and penalties, disclosure, and transition. Management believes that no such uncertain tax positions exist for the Foundation at August 31, 2013 or 2012.

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

## Notes to Financial Statements

August 31, 2013 and 2012

(j) **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, 2013 and 2012, 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.

(k) **Management Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make 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 as of August 31, 2013 and 2012 represent the amounts that would be received to sell those assets or that would be paid to

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Notes to Financial Statements

August 31, 2013 and 2012

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).

The Foundation's investments are all Level 1 investments. 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, 2013 and 2012:

Description	August 31, 2013	Quoted	Significant	Significant	August 31, 2012	Quoted	Significant	Significant
		prices in active markets for identical assets (Level 1)	other observable inputs (Level 2)	unobservable inputs (Level 3)		prices in active markets for identical assets (Level 1)	other observable inputs (Level 2)	unobservable inputs (Level 3)
Assets:								
Recurring:								
Cash equivalents	\$ 11,685	11,685	—	—	111,431	111,431	—	—
Investments:								
Mutual funds:								
Domestic equity	1,133,834	1,133,834	—	—	965,448	965,448	—	—
Bonds	178,021	178,021	—	—	192,875	192,875	—	—
Exchange-traded funds:								
Domestic equity	446,320	446,320	—	—	340,955	340,955	—	—
Debt securities:								
Corporate	657,080	—	657,080	—	610,575	—	610,575	—
Nonrecurring:								
Contributions receivable	236,109	—	—	236,109	118,958	—	—	118,958
Total assets	\$ 2,663,049	1,769,860	657,080	236,109	2,340,242	1,610,709	610,575	118,958

Total investment income, gains, and losses for the years ended August 31, 2013 and 2012 consist of the following:

	<u>2013</u>	<u>2012</u>
Interest and dividend income	\$ 51,199	37,560
Realized and unrealized gains, net	253,733	158,712
Investment income, net	\$ <u>304,932</u>	<u>196,272</u>

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Notes to Financial Statements

August 31, 2013 and 2012

**(4) Contributions Receivable**

The following is a summary of the Foundation’s contributions receivable at August 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Total amounts due in:		
One year	\$ 236,109	118,958
Contributions receivable	\$ <u>236,109</u>	<u>118,958</u>

**(5) Transactions with Related Entities**

The Foundation receives funds from the Make-A-Wish Foundation® of America on a monthly basis. 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, 2013 and 2012, the Foundation received \$187,134 and \$167,674 from these national revenue streams.

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 \$60,336 and \$58,074 were paid from the Foundation to Make-A-Wish Foundation® of America at August 31, 2013 and 2012, respectively.

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 \$150 for the year ended August 31, 2012, which is recorded in the accompanying statements of activities as other income. No amounts were received for the year ended August 31, 2013.

Amounts due from and to related entities are as follows:

	<u>2013</u>	<u>2012</u>
Balance at August 31:		
Due from National Organization	\$ 21,758	25,716
Total due from related entities	\$ <u>21,758</u>	<u>25,716</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 2013 and 2012, the Foundation received contributions, both cash and in-kind, from board members totaling \$24,640 and \$16,940, respectively. In 2013 and 2012, amounts due from board members totaled \$3,000 and \$4,000, respectively, and are included in contributions receivable in the accompanying



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Notes to Financial Statements

August 31, 2013 and 2012

statements of financial position. Amounts paid to related parties for goods and services used in the Foundation's operations totaled \$2,902 and \$6,028 in 2013 and 2012, respectively.

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

Property and equipment as of August 31, 2013 and 2012 consist of the following:

	<u>2013</u>	<u>2012</u>
Computer equipment and software	\$ 58,249	53,285
Office furniture	15,496	15,496
	73,745	68,781
Less accumulated depreciation and amortization	<u>(54,047)</u>	<u>(43,194)</u>
Property and equipment, net	<u>\$ 19,698</u>	<u>25,587</u>

Depreciation and amortization expense totaled \$10,853 and \$9,812 for the years ended August 31, 2013 and 2012, respectively.

**(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.

As of August 31, 2013 and 2012, the Foundation had approximately 31 and 20 reportable pending wishes, respectively.

**(8) Leases**

The Foundation is obligated under various operating leases for offices and equipment, which expire at various dates through October 31, 2014. Total rent expense for all operating leases for the years ended August 31, 2013 and 2012 totaled \$39,600 and \$39,600, respectively.

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

Notes to Financial Statements

August 31, 2013 and 2012

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

		<b>Operating leases</b>
Year ending August 31:		
2014	\$	39,600
2015		6,600
Total minimum lease payments	\$	<u>46,200</u>

**(9) Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes for the years ended August 31, 2013 and 2012:

	<b>2013</b>	<b>2012</b>
Wish granting	\$ 116,759	59,103
Time restrictions	—	38,215
Total temporarily restricted net assets	<u>\$ 116,759</u>	<u>97,318</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 will contribute 2.0% of base salary to each participating employee's 403(b) account. In addition, for every 1.0% 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, 2013 and 2012 were \$9,210 and \$9,142, respectively.

**(11) 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.

**(12) Subsequent Events**

The Foundation has evaluated events subsequent to the statement of financial position date through February 20, 2014, the date at which the financial statements were available to be issued. No such events were identified that required disclosure.