

**MAKE-A-WISH FOUNDATION® OF  
CENTRAL AND NORTHERN FLORIDA**

**FINANCIAL STATEMENTS**

**YEARS ENDED AUGUST 31, 2015 AND 2014**

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA  
TABLE OF CONTENTS  
YEARS ENDED AUGUST 31, 2015 AND 2014**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>4</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>6</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>7</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>9</b>

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Central and Northern Florida  
Maitland, Florida

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Central and Northern Florida, which comprise the statements of financial position as of August 31, 2015 and 2014, 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 Central and Northern Florida

**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 Central and Northern Florida as of August 31, 2015 and 2014, and change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Lakeland, Florida  
November 30, 2015

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2015 AND 2014**

	2015	2014
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,610,823	\$ 2,044,128
Investments	547,267	531,085
Due from Related Entities	223,115	178,620
Prepaid Expenses	57,017	59,362
Contributions Receivable, Net	55,499	172,123
Other Assets	38,963	44,553
Property and Equipment, Net.	55,561	56,527
Beneficial Interest in Assets Held by Others	632,485	694,236
Total Assets	\$ 4,220,730	\$ 3,780,634
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 229,256	\$ 129,215
Accrued Pending Wish Costs	1,415,894	1,140,047
Due to Related Entities	38,990	5,142
Capital Lease Obligations	19,176	9,724
Other Liabilities	9,977	6,921
Total Liabilities	1,713,293	1,291,049
<b>NET ASSETS</b>		
Unrestricted	1,701,586	1,551,429
Temporarily Restricted	173,366	243,920
Permanently Restricted	632,485	694,236
Total Net Assets	2,507,437	2,489,585
Total Liabilities and Net Assets	\$ 4,220,730	\$ 3,780,634

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2015**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>				
Public Support:				
Contributions, Net of Write-Offs	\$ 3,350,956	\$ 48,424	\$ -	\$ 3,399,380
Grants	176,655	3,800	-	180,455
Total Public Support	<u>3,527,611</u>	<u>52,224</u>	<u>-</u>	<u>3,579,835</u>
Internal Special Events	2,181,108	121,142	-	2,302,250
Less Costs of Direct Benefit to Donor	<u>(578,226)</u>	<u>-</u>	<u>-</u>	<u>(578,226)</u>
Total Special Events	<u>1,602,882</u>	<u>121,142</u>	<u>-</u>	<u>1,724,024</u>
Investment Income, Net	10,836	-	-	10,836
Other Income	153,791	-	-	153,791
Change in Value of Beneficial Interest in Permanently Restricted Trust	-	-	(61,751)	(61,751)
Net Assets Released from Restrictions	<u>243,920</u>	<u>(243,920)</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>5,539,040</u>	<u>(70,554)</u>	<u>(61,751)</u>	<u>5,406,735</u>
<b>EXPENSES</b>				
Program Services:				
Wish Granting	4,082,259	-	-	4,082,259
Total Program Services	<u>4,082,259</u>	<u>-</u>	<u>-</u>	<u>4,082,259</u>
Support Services:				
Fundraising	764,744	-	-	764,744
Management and General	541,880	-	-	541,880
Total Support Services	<u>1,306,624</u>	<u>-</u>	<u>-</u>	<u>1,306,624</u>
Total Program and Support Services Expenses	<u>5,388,883</u>	<u>-</u>	<u>-</u>	<u>5,388,883</u>
Change in Net Assets	150,157	(70,554)	(61,751)	17,852
Net Assets, Beginning of Year	<u>1,551,429</u>	<u>243,920</u>	<u>694,236</u>	<u>2,489,585</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 1,701,586</u></u>	<u><u>\$ 173,366</u></u>	<u><u>\$ 632,485</u></u>	<u><u>\$ 2,507,437</u></u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2014**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>				
Public Support:				
Contributions, Net of Write-Offs	\$ 2,936,669	\$ 140,788	\$ -	\$ 3,077,457
Grants	141,512	-	-	141,512
Total Public Support	<u>3,078,181</u>	<u>140,788</u>	<u>-</u>	<u>3,218,969</u>
Internal Special Events	1,629,651	100,581	-	1,730,232
Less Costs of Direct Benefit to Donor	<u>(411,935)</u>	<u>-</u>	<u>-</u>	<u>(411,935)</u>
Total Special Events	<u>1,217,716</u>	<u>100,581</u>	<u>-</u>	<u>1,318,297</u>
Investment Income, Net	21,974	-	-	21,974
Other Income	95,293	-	-	95,293
Change in Value of Beneficial Interest in Permanently Restricted Trust	-	-	58,313	58,313
Net Assets Released from Restrictions	<u>189,968</u>	<u>(189,968)</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>4,603,132</u>	<u>51,401</u>	<u>58,313</u>	<u>4,712,846</u>
<b>EXPENSES</b>				
Program Services:				
Wish Granting	2,890,060	-	-	2,890,060
Total Program Services	<u>2,890,060</u>	<u>-</u>	<u>-</u>	<u>2,890,060</u>
Support Services:				
Fundraising	724,532	-	-	724,532
Management and General	445,182	-	-	445,182
Total Support Services	<u>1,169,714</u>	<u>-</u>	<u>-</u>	<u>1,169,714</u>
Total Program and Support Services Expenses	<u>4,059,774</u>	<u>-</u>	<u>-</u>	<u>4,059,774</u>
Change in Net Assets	<u>543,358</u>	<u>51,401</u>	<u>58,313</u>	<u>653,072</u>
Net Assets, Beginning of Year	<u>1,008,071</u>	<u>192,519</u>	<u>635,923</u>	<u>1,836,513</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 1,551,429</u></u>	<u><u>\$ 243,920</u></u>	<u><u>\$ 694,236</u></u>	<u><u>\$ 2,489,585</u></u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2015 AND 2014**

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 17,852	\$ 653,072
Adjustments to reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation and Amortization	33,293	30,954
Bad Debt Expense	6,038	3,064
Net Realized and Unrealized Gains on Investments	(14,523)	(25,443)
Loss on Sale of Property and Equipment	711	-
Contributed Investments	(4,946)	-
Change in Value of Beneficial Interest in Perpetual Trust	61,751	(58,313)
Change in Attrition Pending Wish Liability	(73,121)	(14,624)
Changes in Assets and Liabilities:		
Contributions Receivable	110,586	(47,117)
Due from Related Entities	(44,495)	(13,977)
Prepaid Expenses	2,345	(17,344)
Other Assets	5,590	506
Accounts Payable and Accrued Expenses	100,041	9,414
Accrued Pending Wish Costs	348,968	(106,539)
Due to Related Entities	33,848	(7,630)
Other Liabilities	3,056	(8,481)
Net Cash and Cash Equivalents Provided by Operating Activities	586,994	397,542
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(641,693)	(940,853)
Proceeds from Sales of Investments	644,980	945,934
Purchases of Property and Equipment	(17,588)	(34,684)
Net Cash Used by Investing Activities	(14,301)	(29,603)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Capital Lease Obligations	(5,998)	(8,221)
Net Cash Used in Financing Activities	(5,998)	(8,221)
Net Increase in Cash and Cash Equivalents	566,695	359,718
 <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	2,044,128	1,684,410
 <b>CASH AND CASH EQUVALENTS, END OF YEAR</b>	\$ 2,610,823	\$ 2,044,128
 <b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>		
In-Kind Contributions	\$ 1,142,985	\$ 825,612
Cash Paid for Interest	\$ 774	\$ 1,906
 <b>SUPPLEMENTAL SCHEDULE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Purchase of Property and Equipment with Capital Lease	\$ 15,450	\$ -

See accompanying Notes to Financial Statements.



**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2015**

	Program Services Wish Granting	Support Services			Total
		Fundraising	Management and General	Total Support Services	
					Total
Direct Costs of Wishes	\$ 3,293,461	\$ -	\$ -	\$ -	\$ 3,293,461
Salaries, Taxes, and Benefits	433,707	511,107	348,928	860,035	1,293,742
Printing, Subscriptions, and Publications	7,878	31,870	2,620	34,490	42,368
Professional Fees	78,953	14,235	13,084	27,319	106,272
Rent and Utilities	72,437	70,454	40,340	110,794	183,231
Postage and Delivery	4,777	11,140	3,118	14,258	19,035
Travel	11,649	18,989	17,121	36,110	47,759
Meetings and Conferences	4,999	10,723	9,259	19,982	24,981
Office Supplies	10,597	9,597	9,159	18,756	29,353
Communications	9,718	9,725	6,547	16,272	25,990
Advertising and Media (Cash)	122	10,621	1,123	11,744	11,866
Advertising and Media (In-Kind)	20,000	-	-	-	20,000
Repairs and Maintenance	10,304	14,199	5,823	20,022	30,326
Insurance	3,044	2,937	1,699	4,636	7,680
Bad Debt Expense	-	-	6,038	6,038	6,038
Membership Dues	74	267	2,384	2,651	2,725
National Partnership Dues	99,279	13,823	12,567	26,390	125,669
Miscellaneous	8,144	22,404	54,546	76,950	85,094
Depreciation and Amortization	13,116	12,653	7,524	20,177	33,293
	<u>\$ 4,082,259</u>	<u>\$ 764,744</u>	<u>\$ 541,880</u>	<u>\$ 1,306,624</u>	<u>\$ 5,388,883</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2014**

	Program Services Wish Granting	Support Services			Total
		Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 2,133,792	\$ -	\$ -	\$ -	\$ 2,133,792
Salaries, Taxes, and Benefits	409,176	475,635	301,864	777,499	1,186,675
Printing, Subscriptions, and Publications	11,667	20,667	2,916	23,583	35,250
Professional Fees	73,919	13,376	11,397	24,773	98,692
Rent and Utilities	61,840	67,261	33,475	100,736	162,576
Postage and Delivery	4,675	10,818	2,469	13,287	17,962
Travel	8,767	16,093	8,309	24,402	33,169
Meetings and Conferences	2,414	49,302	5,478	54,780	57,194
Office Supplies	5,727	7,307	5,264	12,571	18,298
Communications	8,788	9,768	4,958	14,726	23,514
Advertising and Media (Cash)	1,844	7,593	-	7,593	9,437
Advertising and Media (In-Kind)	20,000	440	-	440	20,440
Repairs and Maintenance	6,835	7,507	3,542	11,049	17,884
Insurance	1,593	1,322	875	2,197	3,790
Bad Debt Expense	-	-	3,064	3,064	3,064
Membership Dues	127	699	709	1,408	1,535
National Partnership Dues	125,272	21,150	16,269	37,419	162,691
Miscellaneous	1,743	2,690	38,424	41,114	42,857
Depreciation and Amortization	11,881	12,904	6,169	19,073	30,954
	<u>\$ 2,890,060</u>	<u>\$ 724,532</u>	<u>\$ 445,182</u>	<u>\$ 1,169,714</u>	<u>\$ 4,059,774</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of Central and Northern Florida (the Foundation) is a Florida not-for-profit corporation, organized for the purpose of granting wishes to children with life-threatening medical conditions. The Foundation is an independently operating chapter of Make-A-Wish Foundation of America (National Organization), which operates to develop and implement national programs in public relations and fundraising for the benefit of all local chapters. In addition, the local chapter is obligated to comply with a chapter agreement with the National Organization and such guidelines, resolutions, and policies as may be adopted by the National Organization's board of directors.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

**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, 2015 and 2014 is \$268,406 and \$268,856 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.

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

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

**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 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.

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.

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

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

**Fair Value Measurements (Continued)**

See additional information in Note 3.

**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 CENTRAL AND NORTHERN FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

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

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

	<u>2015</u>	<u>2014</u>
Contributions:		
Wish Related	\$ 951,473	\$ 834,711
Professional Services	60,000	60,000
Advertising and Media	20,000	20,440
Other	37,297	29,752
Total	<u>\$ 1,068,770</u>	<u>\$ 944,903</u>
Special Event Revenue:		
Internal Special Events	<u>\$ 197,598</u>	<u>\$ 75,722</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.

Program or supporting services expenses were recorded at fair value totaling \$1,141,971 and \$921,735 in 2015 and 2014, respectively, with the difference recorded as other assets representing primarily auction items received and not yet used.

Advertising and media is used to help the Foundation communicate its message or mission and includes fundraising materials, informational material, or advertising, and may be in the form of an audio or video tape of a public service announcement, a layout for a newspaper, media time or space for public service announcements, or other purposes. Advertising and media are reported as contribution revenue when received and fundraising 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 CENTRAL AND NORTHERN FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

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

**Income Taxes**

The Foundation is a not-for-profit organization exempt from federal income and Florida taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Section 12A-1.038 of the Florida Statutes, Chapter 212. 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, 2015 and 2014.

**Functional Expenses**

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

**Wish Granting**

Activities performed by the Foundation 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 fiscal years ended August 31, 2015 and 2014, the Foundation incurred no significant joint costs for activities included in 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 CENTRAL AND NORTHERN FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**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.

**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 table(s) as of August 31, 2015 and 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.



**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**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, 2015:

	August 31, 2015	Fair Value Measurements at August 31, 2015 Using		
		(Level 1)	(Level 2)	(Level 3)
Assets:				
Recurring:				
Investments:				
Beneficial Interest Agreements	\$ 632,485	\$ -	\$ -	\$ 632,485
Debt Securities:				
U.S. Treasury	192,037	-	192,037	-
U.S. Agency	355,230	-	355,230	-
Total Recurring	<u>1,179,752</u>	<u>-</u>	<u>547,267</u>	<u>632,485</u>
Total	<u>\$ 1,179,752</u>	<u>\$ -</u>	<u>\$ 547,267</u>	<u>\$ 632,485</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, 2014:

	August 31, 2014	Fair Value Measurements at August 31, 2014 Using		
		(Level 1)	(Level 2)	(Level 3)
Assets:				
Recurring:				
Investments:				
Beneficial Interest Agreements	\$ 694,236	\$ -	\$ -	\$ 694,236
Debt Securities:				
U.S. Treasury	194,012	-	194,012	-
U.S. Agency	337,073	-	337,073	-
Total Recurring	<u>1,225,321</u>	<u>-</u>	<u>531,085</u>	<u>694,236</u>
Total	<u>\$ 1,225,321</u>	<u>\$ -</u>	<u>\$ 531,085</u>	<u>\$ 694,236</u>

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Fair Value Hierarchy (Continued)**

For the valuation of debt securities at August 31, 2015 and 2014, the Foundation used significant other observable inputs, particularly dealer market prices for comparable investments as of the valuation date (Level 2). The Foundation has no fair value measurements that use level 3 inputs, other than beneficial interest in perpetual trust as described in Note 5. There were no transfers between investment levels during the years ended August 31, 2015 and 2014.

Total investment income, gains, and losses for the years ended August 31, 2015 and 2014 consist of the following:

	<u>2015</u>	<u>2014</u>
Interest and Dividend Income	\$ 477	\$ 400
Realized and Unrealized Gains, Net	14,523	25,443
Other Gains	-	146
Less Investment Expenses	<u>(4,164)</u>	<u>(4,015)</u>
Investment Income, Net	<u>\$ 10,836</u>	<u>\$ 21,974</u>

**NOTE 4 CONTRIBUTIONS RECEIVABLE**

Contributions receivable include cash and in-kind pledges. The Foundation records an allowance for doubtful accounts on cash pledges. The following is a summary of the Foundation's contributions receivable at August 31:

	<u>2015</u>	<u>2014</u>
Total Amounts Due in:		
One Year	<u>\$ 56,669</u>	<u>\$ 180,955</u>
Gross Contributions Receivable	56,669	180,955
Less Allowance for Doubtful Accounts	<u>(1,170)</u>	<u>(8,832)</u>
Contributions Receivable, Net	<u>\$ 55,499</u>	<u>\$ 172,123</u>

**NOTE 5 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

**Beneficial Interest in Trusts**

The Foundation is a named income beneficiary on various perpetual trusts, the corpus of which is not controlled by the management of the Foundation. Under these arrangements, the Foundation has the irrevocable right to receive all or a portion of the income earned on the underlying assets held in perpetuity. Accordingly, permanently restricted contribution revenue and the related assets are recognized at fair value in the period in which the Foundation receives notice that the trust agreement conveys an unconditional right to receive benefits.

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**NOTE 5 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS (CONTINUED)**

**Beneficial Interest in Trusts (Continued)**

Subsequent changes in the value of the underlying assets have been recorded in the accompanying statements of activities as a component of permanently restricted realized and unrealized gains and losses on investments.

The Foundation's beneficial interest in the trusts is \$632,485 and \$694,236 as of August 31, 2015 and 2014, respectively. The Foundation used significant unobservable inputs including information from owner-to-owner transactions and the Foundation's own assumptions (Level 3).

The following table presents a rollforward of activity for investments measured at fair value using significant unobservable inputs (Level 3) for the years ended August 31, 2015 and 2014:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) 2015	Fair Value Measurements Using Significant Unobservable Inputs (Level 3) 2014
Beginning Balance	\$ 694,236	\$ 635,923
Total Gains or Losses (Realized/Unrealized) Included in Changes in Net Assets	(61,751)	58,313
Ending Balance	<u>\$ 632,485</u>	<u>\$ 694,236</u>
Change in Unrealized Gains or Losses for the Period Included in the Change in Net Assets Relating to Investments Still Held at End of Reporting Period	<u>\$ (61,751)</u>	<u>\$ 58,313</u>

**NOTE 6 TRANSACTIONS WITH RELATED ENTITIES**

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel and training scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the years ended August 31, 2015 and 2014 respectively, the Foundation received \$1,304,785 and \$1,030,656 from these national revenue streams.

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)**

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 \$125,668 and \$181,976 were paid from the Foundation to the National Organization during the years ended August 31, 2015 and 2014 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 \$138,000 and \$93,750 for the years ended August 31, 2015 and 2014, respectively, which is recorded in the accompanying statements of activities as other income.

Amounts due from and to related entities are as follows:

	<u>2015</u>	<u>2014</u>
Balance at August 31:		
Due from National Organization	\$ 199,526	\$ 89,411
Due from Other Chapters	23,589	89,209
Total Due from Related Entities	<u>\$ 223,115</u>	<u>\$ 178,620</u>
Due to National Organization	\$ 4,676	\$ 212
Due to Other Chapters	34,314	4,930
Total Due to Related Entities	<u>\$ 38,990</u>	<u>\$ 5,142</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 2015 and 2014 the Foundation received contributions, both cash and in-kind, from board members totaling \$369,979 and \$386,889, respectively. Amounts paid to related parties for goods and services used in the Foundation’s operations totaled \$256,420 and \$298,713 in 2015 and 2014, respectively.

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**NOTE 7 PROPERTY AND EQUIPMENT, NET**

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

	2015	2014
Computer Equipment and Software	\$ 134,372	\$ 132,086
Office Furniture	18,286	18,286
Other Equipment	59,075	69,333
Leasehold Improvements	4,805	4,805
	<u>216,538</u>	<u>224,510</u>
Less Accumulated Depreciation and Amortization	<u>(160,977)</u>	<u>(167,983)</u>
Property and Equipment, Net	<u>\$ 55,561</u>	<u>\$ 56,527</u>

Depreciation and amortization expense totaled \$33,293 and \$30,954 for the years ended August 31, 2015 and 2014 respectively.

**NOTE 8 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 represents the estimated in-kind outlay that is expected to be incurred in fulfilling each wish; note that the matching in-kind revenues are recognized when an unconditional promise is received for the required goods or services or in the future period when the wish is granted.

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, 2015 and 2014, the Foundation had approximately 143 and 140 reportable pending wishes, respectively.

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**NOTE 9 LEASES**

The Foundation is obligated under various capital and operating leases for offices and equipment, which expire at various dates through October 31, 2019. As of August 31, 2015 and 2014, the cost of leased property and equipment under capital leases was \$30,894 and \$28,658, respectively, and accumulated depreciation was \$12,016 and \$19,002, respectively. Total rent expense for all operating leases for the years ended August 31, 2015 and 2014 totaled \$174,198 and \$151,264, respectively.

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

	Operating Leases	Capital Leases
Year Ending August 31:		
2016	\$ 161,325	\$ 7,032
2017	132,544	4,849
2018	124,118	8,741
2019	129,083	-
2020 and Following	21,653	-
Total Minimum Lease Payments	<u>568,723</u>	<u>20,622</u>
Less Amounts Representing Interest	-	(1,446)
Present Value of Net Minimum Lease Payments	<u>\$ 568,723</u>	<u>\$ 19,176</u>

**NOTE 10 TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**

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

	2015	2014
Time Restrictions	\$ 169,566	\$ 242,828
Purpose Restrictions	3,800	1,092
Total Temporarily Restricted Net Assets	<u>\$ 173,366</u>	<u>\$ 243,920</u>

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

	2015	2014
Investments in Perpetuity, the Income from which is Expendable to Support Any Activities of the Foundation	<u>\$ 632,485</u>	<u>\$ 694,236</u>

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**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 90-days of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2015 and 2014 were \$22,802 and \$22,842, 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 \$311,444 and \$342,589, respectively, were received from a single donor for the years ended August 31, 2015 and 2014, which represents 9% and 11%, respectively, of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

**NOTE 13 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.

**NOTE 14 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through November 30, 2015, the date at which the financial statements were available to be issued.