MAKE-A-WISH FOUNDATION®
GREATER VIRGINIA

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2015 AND 2014

MAKE-A-WISH FOUNDATION® GREATER VIRGINIA
TABLE OF CONTENTS
YEARS ENDED AUGUST 31, 2015 AND 2014

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

CliftonLarsonAllen

CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® Greater Virginia
Richmond, Virginia

We have audited the accompanying financial statements of Make-A-Wish Foundation® Greater Virginia, 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Make-A-Wish Foundation® Greater Virginia 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

Phoenix, Arizona
January 4, 2016

MAKE-A-WISH FOUNDATION® GREATER VIRGINIA
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	$ 549,904	$ 340,736
Investments	51,301	17,012
Due from Related Entities	42,138	173,856
Prepaid Expenses	19,115	9,879
Contributions Receivable, Net	153,757	47,185
Other Assets	18,515	14,175
Investments Held for Long-Term Purposes	69,366	73,229
Property and Equipment, Net	21,000	26,285
Total Assets	$ 925,096	$ 702,357
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	$ 107,592	$ 76,935
Accrued Pending Wish Costs	1,376,761	1,125,988
Due to Related Entities	10,592	7,577
Other Liabilities	12,129	10,428
Total Liabilities	1,507,074	1,220,928
NET ASSETS (DEFICIT)		
Unrestricted	(966,071)	(915,276)
Temporarily Restricted	334,157	346,769
Permanently Restricted	49,936	49,936
Total Net Assets (Deficit)	(581,978)	(518,571)
Total Liabilities and Net Assets (Deficit)	$ 925,096	$ 702,357

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® GREATER VIRGINIA
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	$ 1,760,575	$ 116,362	$ -	$ 1,876,937
Grants	437,715	123,363	-	561,078
Total Public Support	2,198,290	239,725	-	2,438,015
Internal Special Events	290,479	-	-	290,479
Less Costs of Direct Benefits to Donors	(20,456)	-	-	(20,456)
Total Special Events	270,023	-	-	270,023
Investment Income, Net	1,388	(260)	-	1,128
Other Income	1,875	-	-	1,875
Net Assets Released from Restrictions	252,077	(252,077)	-	-
Total Revenues, Gains, and Other Support	2,723,653	(12,612)	-	2,711,041
EXPENSES				
Program Services:				
Wish Granting	2,204,294	-	-	2,204,294
Total Program Services	2,204,294	-	-	2,204,294
Support Services:				
Fundraising	358,555	-	-	358,555
Management and General	211,599	-	-	211,599
Total Support Services	570,154	-	-	570,154
Total Program and Support Services Expenses	2,774,448	-	-	2,774,448
Change in Net Assets	(50,795)	(12,612)	-	(63,407)
Net Assets (Deficit), Beginning of Year	(915,276)	346,769	49,936	(518,571)
NET ASSETS (DEFICIT), END OF YEAR	$ (966,071)	$ 334,157	$ 49,936	$ (581,978)

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® GREATER VIRGINIA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT				
Public Support:				
Contributions, Net of Write-Offs	$ 1,675,511	$ 122,185	$ -	$ 1,797,696
Grants	558,787	201,291	-	760,078
Total Public Support	2,234,298	323,476	-	2,557,774
Internal Special Events	81,866	-	-	81,866
Less Costs of Direct Benefits to Donors	(17,359)	-	-	(17,359)
Total Special Events	64,507	-	-	64,507
Investment Income, Net	2,752	9,944	-	12,696
Other Income	4,773	-	-	4,773
Net Assets Released from Restrictions	69,383	(69,383)	-	-
Total Revenues, Gains, and Other Support	2,375,713	264,037	-	2,639,750
EXPENSES				
Program Services:				
Wish Granting	1,973,050	-	-	1,973,050
Total Program Services	1,973,050	-	-	1,973,050
Support Services:				
Fundraising	264,884	-	-	264,884
Management and General	207,507	-	-	207,507
Total Support Services	472,391	-	-	472,391
Total Program and Support Services Expense	2,445,441	-	-	2,445,441
LOSS ON SALE OF PROPERTY AND EQUIPMENT	8,900	-	-	8,900
Total Expenses and Losses	2,454,341	-	-	2,454,341
Change in Net Assets	(78,628)	264,037	-	185,409
Net Assets (Deficit), Beginning of Year	(836,648)	82,732	49,936	(703,980)
NET ASSETS (DEFICIT), END OF YEAR	$ (915,276)	$ 346,769	$ 49,936	$ (518,571)

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® GREATER VIRGINIA
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (63,407)	$ 185,409
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	10,950	9,689
Net Realized and Unrealized (Gains) Losses on Investments	3,103	(9,090)
Loss on Sale of Property and Equipment	-	8,900
Contributed Property and Equipment, Inventory and Investments	-	(4,734)
Change in Attrition on Accrued Pending Wish Costs	1,985	35,106
Change in Discount to Present Value of Contributions Receivable	3,825	-
Changes in Assets and Liabilities:		
Contributions Receivable	(110,397)	(9,013)
Due from Related Entities	131,718	14,704
Prepaid Expenses	(9,236)	(8,799)
Other Assets	(4,340)	(998)
Accounts Payable and Accrued Expenses	30,657	18,891
Accrued Pending Wish Costs	248,788	1,228
Due to Related Entities	3,015	(63,512)
Deferred Rent	4,184	-
Net Cash Provided by Operating Activities	250,845	177,781
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(110,552)	(18,549)
Proceeds from Sales of Investments	77,023	15,743
Purchases of Property and Equipment	(5,665)	(570)
Net Cash Used in Investing Activities	(39,194)	(3,376)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Lease Obligations	(2,483)	(2,838)
Net Cash Used in Financing Activities	(2,483)	(2,838)
Net Increase in Cash and Cash Equivalents	209,168	171,567
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	340,736	169,169
CASH AND CASH EQUIVALENTS, END OF YEAR	$ 549,904	$ 340,736
SUPPLEMENTAL CASH FLOW INFORMATION		
Cash Paid For Interest	$ 744	$ 1,677

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® GREATER VIRGINIA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2015

	Program Services	Support Services			
	Wish Granting	Fundraising	Management and General	Total Support Services	Total
Direct Costs of Wishes	$ 1,757,074	$ -	$ -	$ -	$ 1,757,074
Salaries, Taxes, and Benefits	302,022	238,841	161,307	400,148	702,170
Printing, Subscriptions, and Publications	1,676	6,008	784	6,792	8,468
Professional Fees	25,406	25,069	13,589	38,658	64,064
Rent and Utilities	26,183	20,703	14,004	34,707	60,890
Postage and Delivery	4,092	4,321	485	4,806	8,898
Travel	5,914	11,839	3,028	14,867	20,781
Meetings and Conferences	27,483	5,502	2,516	8,018	35,501
Office Supplies	7,123	5,504	946	6,450	13,573
Communications	3,339	2,683	1,835	4,518	7,857
Advertising and Media (Cash)	108	735	58	793	901
Advertising and Media (In-Kind)	700	8,000	-	8,000	8,700
Repairs and Maintenance	3,370	2,785	1,855	4,640	8,010
Insurance	2,604	478	323	801	3,405
Membership Dues	287	477	154	631	918
National Partnership Dues	23,642	3,292	2,993	6,285	29,927
Miscellaneous	8,436	18,670	5,255	23,925	32,361
Depreciation and Amortization	4,835	3,648	2,467	6,115	10,950
	$ 2,204,294	$ 358,555	$ 211,599	$ 570,154	$ 2,774,448

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® GREATER VIRGINIA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2014

	Program Services	Support Services			
	Wish Granting	Fundraising	Management and General	Total Support Services	Total
Direct Costs of Wishes	$ 1,507,101	$ -	$ -	$ -	$ 1,507,101
Salaries, Taxes, and Benefits	312,098	184,556	142,705	327,261	639,359
Printing, Subscriptions, and Publications	1,059	4,286	710	4,996	6,055
Professional Fees	24,826	15,339	20,138	35,477	60,303
Rent and Utilities	34,912	20,662	15,675	36,337	71,249
Postage and Delivery	5,505	1,647	1,127	2,774	8,279
Travel	8,716	11,165	3,176	14,341	23,057
Meetings and Conferences	9,060	4,443	2,986	7,429	16,489
Office Supplies	5,517	2,363	1,153	3,516	9,033
Communications	3,522	2,084	1,581	3,665	7,187
Advertising and Media (Cash)	-	30	-	30	30
Advertising and Media (In-Kind)	6,861	1,279	970	2,249	9,110
Repairs and Maintenance	3,298	1,913	1,563	3,476	6,774
Insurance	239	141	107	248	487
Membership Dues	98	183	44	227	325
National Partnership Dues	35,483	5,004	5,004	10,008	45,491
Miscellaneous	9,994	6,946	8,483	15,429	25,423
Depreciation and Amortization	4,761	2,843	2,085	4,928	9,689
	$ 1,973,050	$ 264,884	$ 207,507	$ 472,391	$ 2,445,441

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) applicable to not-for-profit entities.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Included in cash and cash equivalents at August 31, 2015 and 2014 is $549,904 and $340,736, 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment, Net

Property and equipment having a unit cost greater than $500 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Property and equipment under capital leases are stated at the present value of future minimum lease payments at the time of acquisition. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 5 years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the leases. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

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.

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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

	2015	2014
Contributions:		
Wish Related	$ 798,230	$ 697,029
Advertising and Media	700	9,110
Property and Equipment	-	4,734
Other	2,771	12,763
Total	$ 801,701	$ 723,636
Special Event Revenue		
Internal Special Events	$ 16,189	$ 14,565

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 $801,701 and $718,902 in 2015 and 2014, respectively, with the difference recorded as other assets representing primarily contributed property and equipment.

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.

Income Taxes

The Foundation is a not-for-profit organization exempt from federal income and Virginia taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Section 58.1 of the Virginia 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, 2015 and 2014. The Foundation files income tax returns in the U.S. federal jurisdiction and state jurisdictions.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2015 and 2014, the Foundation incurred no significant joint costs for activities that include 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.

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 have been made to the 2014 balances to be consistent with the 2015 presentation. These reclassifications had no effect on change in 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, 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.

Investments

Overall Investment Objective

The overall investment objective of the Foundation is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation. The Foundation diversifies its investments among various asset classes incorporating multiple strategies and managers. Major investment decisions are authorized by the Board's Audit and Finance committee, which oversees the Foundation's investment program in accordance with established guidelines.

Allocation of Investment Strategies

At August 31, 2015 and 2014, all of the Foundations' investments were held in either money market accounts or publically traded mutual funds classified within Level 1 of the fair value hierarchy. All investments held at August 31, 2015 and 2014 are redeemable on a daily basis.

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:

	Fair Value Measurements at August 31, 2015 Using			
	(Level 1)	(Level 2)	(Level 3)	Total
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	$ 20,986	$ -	$ -	$ 20,986
Bonds	51,301	-	-	51,301
Equity Securities:				
U.S. Corporate Equity Securities	47,439	-	-	47,439
Total Recurring	119,726	-	-	119,726
Total	$ 119,726	$ -	$ -	$ 119,726

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:

	Fair Value Measurements at August 31, 2014 Using			
	(Level 1)	(Level 2)	(Level 3)	Total
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	$ 24,599	$ -	$ -	$ 24,599
Bonds	20,961	-	-	20,961
Equity Securities:				
U.S. Corporate Equity Securities	44,681	-	-	44,681
Total Recurring	90,241	-	-	90,241
Total	$ 90,241	$ -	$ -	$ 90,241

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

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

	2015	2014
Interest and Dividend Income	$ 4,688	$ 4,043
Realized and Unrealized Gains, Net	(3,103)	9,090
Less Investment Expenses	(457)	(437)
Investment Income, Net	$ 1,128	$ 12,696

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at a rate of 4.50% at August 31, 2015. The following is a summary of the Foundation's contributions receivable at August 31:

	2015	2014
Total Amounts Due in:		
One Year	$ 127,582	$ 47,185
Two to Five Years	30,000	-
Gross Contributions Receivable	157,582	47,185
Less Allowance for Doubtful Accounts	-	-
Less Discount to Present Value	(3,825)	-
Contributions Receivable, Net	$ 153,757	$ 47,185

NOTE 5 TRANSACTIONS WITH RELATED ENTITIES

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel and training scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the years ended August 31, 2015 and 2014, the Foundation received $993,818 and $1,062,532, respectively, 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 $92,467 and $267,208 were paid from the Foundation to the National Organization during the years ended August 31, 2015 and 2014, respectively.

NOTE 5 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

Chapters who assist with the organization and granting of wishes from other chapters are paid a “fee for service” called the wish assist fee. Under this program, the Foundation received $1,875 and $4,740 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:

	2015	2014
Balance at August 31:		
Due from National Organization	$ 41,413	$ 172,787
Due from Other Chapters	725	1,069
Total Due from Related Entities	$ 42,138	$ 173,856
Due to National Organization	$ 3,000	$ 67
Due to Other Chapters	7,592	7,510
Total Due to Related Entities	$ 10,592	$ 7,577

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 $37,227 and $20,184, respectively. Amounts due to related parties as of August 31, 2015 and 2014 totaled $126 and $-0-, respectively, and are included in accounts payable in the accompanying statements of financial position.

NOTE 6 PROPERTY AND EQUIPMENT, NET

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

	2015	2014
Computer Equipment and Software	$ 49,013	$ 47,783
Office Furniture and Other Equipment	21,275	24,781
Leasehold Improvements	-	2,013
	70,288	74,577
Less Accumulated Depreciation and Amortization	(49,288)	(48,292)
Property and Equipment, Net	$ 21,000	$ 26,285

Depreciation and amortization expense totaled $10,950 and $9,689 for the years ended August 31, 2015 and 2014, 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 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 171 and 150 reportable pending wishes, respectively.

NOTE 8 LEASES

The Foundation is obligated under various capital and operating leases for offices and equipment, which expire at various dates through February 28, 2019. As of August 31, 2015 and 2014, the cost of leased property and equipment under capital leases was $13,267, and accumulated depreciation was $5,970 and $3,317, respectively. Total rent expense for all operating leases for the years ended August 31, 2015 and 2014 totaled $64,716 and $71,458, respectively.

NOTE 8 LEASES (CONTINUED)

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	$ 57,205	$ 3,228
2017	58,885	3,228
2018	60,625	2,421
2019	30,442	-
Total Minimum Lease Payments	207,157	8,877
Less Amounts Representing Interest	-	(932)
Present Value of Net Minimum Lease Payments	$ 207,157	$ 7,945

NOTE 9 ENDOWMENTS

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 one individual fund established for a variety of purposes including both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets, both donor-restricted and board-designated, are reflected as investments held for long term purposes on the statements of financial position.

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the Virginia 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. 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

NOTE 9 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

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

Endowment net asset composition by type of fund as of August 31, 2015 and 2014 is as follows:

	2015		
	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	$ 19,430	$ 49,936	$ 69,366
Total Funds	$ 19,430	$ 49,936	$ 69,366

	2014		
	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	$ 23,293	$ 49,936	$ 73,229
Total Funds	$ 23,293	$ 49,936	$ 73,229

Changes in endowment net assets for the year ended August 31 are as follows:

	2015		
	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	$ 23,293	$ 49,936	$ 73,229
Investment Return:			
Investment Income	3,092	-	3,092
Net Appreciation (Realized and Unrealized)	(3,352)	-	(3,352)
Total Investment Return	(260)	-	(260)
Other Changes:			
Appropriation of Endowment Earnings	(3,603)	-	(3,603)
Endowment Net Assets, End of Year	$ 19,430	$ 49,936	$ 69,366

NOTE 9 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

Changes in endowment net assets for the year ended August 31 are as follows:

	2014		
	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	$ 13,349	$ 49,936	$ 63,285
Investment Return:			
Investment Income	2,806	-	2,806
Net Appreciation (Realized and Unrealized)	7,138	-	7,138
Total Investment Return	9,944	-	9,944
Endowment Net Assets, End of Year	$ 23,293	$ 49,936	$ 73,229

Description of amounts classified as permanently restricted net assets and temporarily restricted net assets (endowment only):

	2015	2014
Permanently Restricted Net Assets:		
The Portion of Perpetual Endowment Funds that is Required to be Retained Permanently Either by Explicit Donor Stipulation or by UPMIFA	$ 49,936	$ 49,936
Temporarily restricted Net Assets:		
The Portion of Perpetual Endowment Funds Subject to a Time Restriction Under UPMIFA:		
Without Purpose Restrictions	$ 19,430	$ 23,293
With Purpose Restrictions	-	-
Total Endowment Funds Classified as Temporarily Restricted Net Assets	$ 19,430	$ 23,293

Fund Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There have been no such deficiencies in 2015 or 2014.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds.

NOTE 9 ENDOWMENTS (CONTINUED)

Return Objectives and Risk Parameters (Continued)

Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation does not have a spending policy that mandates specific annual distributions. As operational needs are identified, the Board may elect to make distributions from the endowment assets.

NOTE 10 TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

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

	2015	2014
Time Restrictions	$ 74,390	$ 113,293
Purpose Restrictions	259,767	233,476
Total Temporarily Restricted Net Assets	$ 334,157	$ 346,769

For the years 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	$ 49,936	$ 49,936

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 matches employee contributions up to 5% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2015 and 2014 were $25,013 and $17,788, 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 $323,338 and $353,382 were received from one donor for the years ended August 31, 2015 and 2014, respectively, which represents 13% and 14%, respectively, of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 13 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through January 4, 2016, the date at which the financial statements were available to be issued.