

**MAKE-A-WISH FOUNDATION® OF
SOUTH CAROLINA, INC.**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2015 AND 2014

**MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
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

INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of South Carolina, Inc.
Greenville, South Carolina

We have audited the accompanying financial statements of Make-A-Wish Foundation® of South Carolina, Inc., 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 South Carolina, Inc.

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 South Carolina, Inc. 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
March 9, 2016

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	\$ 699,407	\$ 473,419
Due from Related Entities	126,030	54,001
Prepaid Expenses	23,588	8,998
Contributions Receivable, Net	74,366	78,870
Other Assets	50	-
Property and Equipment, Net	98,168	89,547
Total Assets	\$ 1,021,609	\$ 704,835
LIABILITIES AND NET ASSETS (DEFICIT)		
Accounts Payable and Accrued Expenses	\$ 132,187	\$ 72,530
Accrued Pending Wish Costs	1,453,260	1,405,423
Due to Related Entities	4,501	5,899
Total Liabilities	1,589,948	1,483,852
Net Assets (Deficit)		
Unrestricted (Deficit)	(814,328)	(978,788)
Temporarily Restricted	245,989	199,771
Total Net Assets (Deficit)	(568,339)	(779,017)
Total Liabilities and Net Assets (Deficit)	\$ 1,021,609	\$ 704,835

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Net of Write-Offs	\$ 2,196,925	\$ 74,366	\$ 2,271,291
Grants	443,356	185,455	628,811
Total Public Support	2,640,281	259,821	2,900,102
Internal Special Events	400,279	-	400,279
Less Costs of Direct Benefits to Donors	(71,277)	-	(71,277)
Total Special Events	329,002	-	329,002
Investment Income, Net	-	-	-
Other Income	4,926	-	4,926
Net Assets Released from Restrictions	213,603	(213,603)	-
Total Revenues, Gains, and Other Support	3,187,812	46,218	3,234,030
EXPENSES			
Program Services:			
Wish Granting	2,381,208	-	2,381,208
Total Program Services	2,381,208	-	2,381,208
Support Services:			
Fundraising	539,539	-	539,539
Management and General	102,605	-	102,605
Total Support Services	642,144	-	642,144
Total Program and Support Services Expense	3,023,352	-	3,023,352
Change in Net Assets	164,460	46,218	210,678
Net Assets (Deficit) - Beginning of Year	(978,788)	199,771	(779,017)
NET ASSETS (DEFICIT) - END OF YEAR	\$ (814,328)	\$ 245,989	\$ (568,339)

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2014

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Net of Write-Offs	\$ 1,629,484	\$ 78,770	\$ 1,708,254
Grants	501,647	121,000	622,647
Total Public Support	2,131,131	199,770	2,330,901
Internal Special Events	22,996	-	22,996
Total Special Events	22,996	-	22,996
Other Income	6,572	-	6,572
Net Assets Released from Restrictions	114,256	(114,256)	-
Total Revenues, Gains, and Other Support	2,274,955	85,514	2,360,469
EXPENSES			
Program Services:			
Wish Granting	2,672,147	-	2,672,147
Total Program Services	2,672,147	-	2,672,147
Support Services:			
Fundraising	176,494	-	176,494
Management and General	172,354	-	172,354
Total Support Services	348,848	-	348,848
Total Program and Support Services Expense	3,020,995	-	3,020,995
Change in Net Assets	(746,040)	85,514	(660,526)
Net Assets (Deficit) - Beginning of Year	(232,748)	114,257	(118,491)
NET ASSETS (DEFICIT) - END OF YEAR	\$ (978,788)	\$ 199,771	\$ (779,017)

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 210,678	\$ (660,526)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	8,880	8,034
Bad Debt Expense	100	3,167
Loss on Sale of Property and Equipment	230	-
Contributed Property and Equipment, Inventory, and Investments	(1,001)	(1,998)
Change in Attrition on Accrued Pending Wish Costs	22,682	26,609
Changes in Assets and Liabilities:		
Contributions Receivable	4,404	38,068
Due from Related Entities	(72,029)	3,147
Prepaid Expenses	(14,590)	(8,998)
Other Assets	(50)	4,367
Accounts Payable and Accrued Expenses	59,657	48,273
Accrued Pending Wish Costs	25,155	736,875
Due to Related Entities	(1,398)	(49,761)
Net Cash Provided by Operating Activities	242,718	147,257
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(16,730)	-
Contributions Restricted for Investment in Property and Equipment	-	(10,819)
Net Cash Used in Investing Activities	(16,730)	(10,819)
NET INCREASE IN CASH AND CASH EQUIVALENTS	225,988	136,438
Cash and Cash Equivalents - Beginning of Year	473,419	336,981
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 699,407	\$ 473,419
SUPPLEMENTAL CASH FLOW INFORMATION		
Donated Property and Equipment	\$ 1,001	\$ 1,998

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2015

	Program Services		Support Services		Total
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,934,882	\$ -	\$ -	\$ -	\$ 1,934,882
Salaries, Taxes, and Benefits	320,749	327,647	64,262	391,909	712,658
Printing, Subscriptions, and Publications	7,125	51,129	625	51,754	58,879
Professional Fees	24,168	24,705	4,834	29,539	53,707
Rent and Utilities	14,104	14,417	2,821	17,238	31,342
Postage and Delivery	5,084	11,023	391	11,414	16,498
Travel	2,106	13,321	708	14,029	16,135
Meetings and Conferences	7,934	42,115	7,540	49,655	57,589
Office Supplies	11,838	5,549	853	6,402	18,240
Communications	5,991	7,605	578	8,183	14,174
Advertising and Media (in-kind)	-	20,000	-	20,000	20,000
Repairs and Maintenance	1,021	1,028	199	1,227	2,248
Bad Debt Expense	-	100	-	100	100
Membership Dues	50	51	10	61	111
National Partnership Dues	33,198	4,623	4,202	8,825	42,023
Miscellaneous	8,962	12,141	14,783	26,924	35,886
Depreciation and Amortization	3,996	4,085	799	4,884	8,880
	<u>\$ 2,381,208</u>	<u>\$ 539,539</u>	<u>\$ 102,605</u>	<u>\$ 642,144</u>	<u>\$ 3,023,352</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2014

	Program Services		Support Services		Total
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,928,876	\$ -	\$ -	\$ -	\$ 1,928,876
Salaries, Taxes, and Benefits	535,805	98,513	120,733	219,246	755,051
Printing, Subscriptions, and Publications	8,248	17,084	1,397	18,481	26,729
Professional Fees	65,025	11,904	14,620	26,524	91,549
Rent and Utilities	23,581	4,317	5,314	9,631	33,212
Postage and Delivery	4,832	2,880	788	3,668	8,500
Travel	6,480	3,434	1,708	5,142	11,622
Meetings and Conferences	23,808	22,107	11,170	33,277	57,085
Office Supplies	6,916	1,943	1,548	3,491	10,407
Communications	10,041	1,887	2,259	4,146	14,187
Repairs and Maintenance	4,291	786	967	1,753	6,044
Bad Debt Expense	-	3,167	-	3,167	3,167
National Partnership Dues	39,438	5,562	5,562	11,124	50,562
Miscellaneous	9,220	1,716	5,034	6,750	15,970
Depreciation and Amortization	5,586	1,194	1,254	2,448	8,034
	<u>\$ 2,672,147</u>	<u>\$ 176,494</u>	<u>\$ 172,354</u>	<u>\$ 348,848</u>	<u>\$ 3,020,995</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of South Carolina, Inc. (the Foundation) is a South Carolina 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 \$70,063 and \$69,964, respectively, of money market mutual funds.

Contributions Receivable

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

Property and Equipment, Net

Property and equipment having a unit cost greater than \$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 lives of the assets 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.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 does not have any permanently restricted net assets at August 31, 2015 and 2014.
- **Temporarily Restricted Net Assets** – Net assets subject to restrictions imposed by donor or law that may be met either by actions of the Foundation or the passage of time.
- **Unrestricted Net Assets** – Net assets that are not subject to donor-imposed restrictions or law.

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.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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>2015</u>	<u>2014</u>
Contributions:		
Wish Related	\$ 807,395	\$ 540,905
Property and Equipment	1,001	1,998
Other	5,337	959
Total	<u>\$ 813,733</u>	<u>\$ 543,862</u>
Special Event Revenue		
Internal Special Events	<u>\$ 38,420</u>	<u>\$ 400</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 \$812,375 and \$541,864 in 2015 and 2014, respectively, with the difference recorded as other assets representing 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.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
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 taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Section 33-56-60 of the South Carolina Solicitation of Charitable Funds Act. 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, 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.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
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 CONTRIBUTIONS RECEIVABLE

The Foundation's contributions receivable as of August 31, 2015 and 2014 was \$74,366 and \$78,870 which are due from one and two donors, respectively, and is all due within the next 12 months. Management has determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at August 31, 2015 and 2014.

NOTE 4 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 \$712,725 and \$891,195, respectively, from these national revenue streams.

As part of the National Organization's Wish Fulfillment Fund, chapters may apply for funds that have been donated by other chapters to underwrite the cost of wishes. Under this program, the Foundation received \$238,000 and \$-0- during the years ended August 31, 2015 and 2014, respectively.

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 and for services provided to the Foundation by the National Office. Amounts totaling \$96,310 and \$126,286 were paid from the Foundation to the National Organization during the years ended August 31, 2015 and 2014, respectively.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 4 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 \$4,800 and \$2,400 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	\$ 120,953	\$ 54,001
Due from Other Chapters	5,077	-
Total Due from Related Entities	<u>\$ 126,030</u>	<u>\$ 54,001</u>
Due to National Organization	\$ 3,500	\$ 3,500
Due to Other Chapters	1,001	2,399
Total Due to Related Entities	<u>\$ 4,501</u>	<u>\$ 5,899</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 \$78,859 and \$17,043, respectively. In addition, during 2015 and 2014, the Foundation received cash contributions totaling approximately \$219,956 and \$187,000, respectively, from a company that is affiliated with a board member.

NOTE 5 PROPERTY AND EQUIPMENT, NET

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

	<u>2015</u>	<u>2014</u>
Land	\$ 75,000	\$ 75,000
Computer Equipment and Software	53,583	38,040
Office Furniture	30,077	28,641
	<u>158,660</u>	<u>141,681</u>
Less Accumulated Depreciation and Amortization	(60,492)	(52,134)
Property and Equipment, Net	<u>\$ 98,168</u>	<u>\$ 89,547</u>

Depreciation and amortization expense totaled \$8,880 and \$8,034 for the years ended August 31, 2015 and 2014, respectively.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 6 ACCRUED PENDING WISH COSTS

The Foundation accrues the 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 12 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 181 and 173 reportable pending wishes, respectively.

NOTE 7 LEASES

The Foundation is obligated under various operating leases for offices and equipment, which expire at various dates through March 31, 2016. Total rent expense for all operating leases for the years ended August 31, 2015 and 2014 totaled \$26,468 and \$33,212, respectively.

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

<u>Year Ending August 31,</u>	
2016	\$ 15,440
Total	<u>\$ 15,440</u>

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 8 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	\$ 79,655	\$ 21,000
Purpose Restrictions	166,334	178,771
Total Temporarily Restricted Net Assets	\$ 245,989	\$ 199,771

NOTE 9 RETIREMENT PLAN

The Foundation offers a Simplified Employee Pension Plan (the Plan). Employees are eligible for participation in the Plan upon completion of two years of service. Under the provisions of the Plan, the Foundation will contribute 5% of each eligible employee's salary. Foundation contributions to the Plan for the years ended August 31, 2015 and 2014 were \$4,843 and \$12,548, respectively.

NOTE 10 CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash and cash equivalents. The Foundation places its cash and cash equivalents with high credit quality financial institutions and generally limits the amount of credit exposure not to exceed the Federal Deposit Insurance Corporation (FDIC) 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 \$387,800 and \$367,032 were received from a single donor for the years ended August 31, 2015 and 2014, respectively, which represents 13% and 16%, respectively, of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 11 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statements of financial position date through March 9, 2016, the date at which the financial statements were available to be issued.