

**MAKE-A-WISH FOUNDATION®  
OF NEW MEXICO**

**FINANCIAL STATEMENTS**

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

**MAKE-A-WISH FOUNDATION® OF NEW MEXICO  
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# CliftonLarsonAllen

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of New Mexico  
Albuquerque, New Mexico

We have audited the accompanying financial statements of Make-A-Wish Foundation® of New Mexico, 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 America

***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 New Mexico 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  
February 8, 2016

**MAKE-A-WISH FOUNDATION® OF NEW MEXICO**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2015 AND 2014**

	2015	2014
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 364,559	\$ 522,993
Due from Related Entities	10,167	61,945
Prepaid Expenses	23,815	959
Contributions Receivable, Net	17,101	-
Property and Equipment, Net	4,190	4,959
Total Assets	\$ 419,832	\$ 590,856
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 51,581	\$ 63,190
Accrued Pending Wish Costs	158,331	151,179
Due to Related Entities	20,251	5,510
Total Liabilities	230,163	219,879
<b>NET ASSETS</b>		
Unrestricted	169,594	370,977
Temporarily Restricted	20,075	-
Total Net Assets	189,669	370,977
Total Liabilities and Net Assets	\$ 419,832	\$ 590,856

See accompanying Notes to Financial Statements.

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

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Net of Write-Offs	\$ 1,446,155	\$ 16,100	\$ 1,462,255
Grants	67,585	3,975	71,560
Total Public Support	1,513,740	20,075	1,533,815
Internal Special Events	136,037	-	136,037
Less Costs of Direct Benefits to Donors	(8,327)	-	(8,327)
Total Special Events	127,710	-	127,710
Investment Income, Net	1,413	-	1,413
Other Income	6,451	-	6,451
Net Assets Released from Restrictions	-	-	-
Total Revenues, Gains, and Other Support	1,649,314	20,075	1,669,389
<b>EXPENSES</b>			
Program Services:			
Wish Granting	1,634,478	-	1,634,478
Total Program Services	1,634,478	-	1,634,478
Support Services:			
Fundraising	156,226	-	156,226
Management and General	59,993	-	59,993
Total Support Services	216,219	-	216,219
Total Program and Support Services Expense	1,850,697	-	1,850,697
<b>CHANGE IN NET ASSETS</b>	(201,383)	20,075	(181,308)
Net Assets - Beginning of Year	370,977	-	370,977
<b>NET ASSETS - END OF YEAR</b>	\$ 169,594	\$ 20,075	\$ 189,669

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF NEW MEXICO**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2014**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Net of Write-Offs	\$ 1,483,696	\$ -	\$ 1,483,696
Grants	111,690	-	111,690
Total Public Support	1,595,386	-	1,595,386
Internal Special Events	139,827	-	139,827
Less Costs of Direct Benefits to Donors	(12,887)	-	(12,887)
Total Special Events	126,940	-	126,940
Investment Income, Net	(798)	-	(798)
Other Income	300	-	300
Net Assets Released from Restrictions	38,827	(38,827)	-
Total Revenues, Gains, and Other Support	1,760,655	(38,827)	1,721,828
<b>EXPENSES</b>			
Program Services:			
Wish Granting	1,479,130	-	1,479,130
Total Program Services	1,479,130	-	1,479,130
Support Services:			
Fundraising	151,074	-	151,074
Management and General	60,404	-	60,404
Total Support Services	211,478	-	211,478
Total Program and Support Services Expense	1,690,608	-	1,690,608
<b>CHANGE IN NET ASSETS</b>	70,047	(38,827)	31,220
Net Assets - Beginning of Year	300,930	38,827	339,757
<b>NET ASSETS - END OF YEAR</b>	\$ 370,977	\$ -	\$ 370,977

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF NEW MEXICO**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2015 AND 2014**

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (181,308)	\$ 31,220
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	769	3,533
(Gain) Loss on Sale of Property and Equipment	-	1,801
Contributed Property and Equipment, Inventory and Investments	-	(1,998)
(Increase) Decrease in Assets:		
Contributions Receivable	(17,101)	4,938
Due from Related Entities	51,778	(57,584)
Prepaid Expenses	(22,856)	(959)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(11,609)	7,939
Accrued Pending Wish Costs	7,152	33,910
Due to Related Entities	14,741	3,055
Net Cash Provided (Used) by Operating Activities	(158,434)	25,855
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Capital Lease Obligations	-	(1,515)
Net Cash Used by Financing Activities	-	(1,515)
 <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(158,434)	24,340
Cash and Cash Equivalents - Beginning of Year	522,993	498,653
 <b>CASH AND CASH EQUAVALENTS - END OF YEAR</b>	\$ 364,559	\$ 522,993
 <b>SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITY</b>		
Contributed Property and Equipment	\$ -	\$ 1,998

See accompanying Notes to Financial Statements.



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

	<u>Program Services</u>	<u>Support Services</u>			<u>Total</u>
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,273,319	\$ -	\$ -	\$ -	\$ 1,273,319
Salaries, Taxes, and Benefits	230,246	52,255	43,250	95,505	325,751
Printing, Subscriptions, and Publications	6,294	1,157	825	1,982	8,276
Professional Fees	23,367	4,317	3,152	7,469	30,836
Rent and Utilities	26,833	4,949	3,571	8,520	35,353
Postage and Delivery	3,376	627	474	1,101	4,477
Meetings and Conferences	22,417	83,787	2,264	86,051	108,468
Office Supplies	9,597	1,855	1,088	2,943	12,540
National Partnership Dues	37,236	6,878	5,013	11,891	49,127
Miscellaneous	1,216	294	271	565	1,781
Depreciation and Amortization	577	107	85	192	769
	<u>\$ 1,634,478</u>	<u>\$ 156,226</u>	<u>\$ 59,993</u>	<u>\$ 216,219</u>	<u>\$ 1,850,697</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF NEW MEXICO**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2014**

	<u>Program Services</u>	<u>Support Services</u>			<u>Total</u>
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,135,044	\$ -	\$ -	\$ -	\$ 1,135,044
Salaries, Taxes, and Benefits	226,977	51,877	43,399	95,276	322,253
Printing, Subscriptions, and Publications	7,603	4,040	1,122	5,162	12,765
Professional Fees	22,903	4,231	3,475	7,706	30,609
Rent and Utilities	30,125	5,616	4,423	10,039	40,164
Postage and Delivery	1,972	715	295	1,010	2,982
Meetings and Conferences	18,668	77,994	2,448	80,442	99,110
Office Supplies	7,143	1,259	1,034	2,293	9,436
National Partnership Dues	23,416	4,308	3,375	7,683	31,099
Miscellaneous	2,630	539	444	983	3,613
Depreciation and Amortization	2,649	495	389	884	3,533
	<u>\$ 1,479,130</u>	<u>\$ 151,074</u>	<u>\$ 60,404</u>	<u>\$ 211,478</u>	<u>\$ 1,690,608</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of New Mexico (the Foundation) is a New Mexico 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 both years ended August 31, 2015 and 2014 is \$200,000 of certificates of deposit with an initial term of less than three months.

**Contributions Receivable**

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

**Property and Equipment, Net**

Property and equipment having a unit cost greater than \$1,000 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Property and equipment under capital leases are stated at the present value of future minimum lease payments at the time of acquisition. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally five to seven years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

**MAKE-A-WISH FOUNDATION® OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

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

**Property and Equipment, Net (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.

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* - 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* - 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* - 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.

**Net Assets**

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

**Permanently Restricted**

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

**MAKE-A-WISH FOUNDATION® OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

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

**Net Assets (Continued)**

**Unrestricted**

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.

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	\$ 541,192	\$ 435,872
Property and Equipment	-	1,998
Other	24,000	24,958
Total	<u>\$ 565,192</u>	<u>\$ 462,828</u>
Special Event Revenue:		
Internal Special Events	<u>\$ 69,322</u>	<u>\$ 60,355</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.

**MAKE-A-WISH FOUNDATION® OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

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

**Revenue Recognition (Continued)**

Program or supporting services expenses were recorded at fair value totaling \$565,192 and \$460,830 in 2015 and 2014, respectively, with the difference recorded as other assets representing primarily property and equipment and investments.

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 or public information [if allocated as a joint cost] expense when received and the reporting of such contributions is unaffected by whether the Foundation could afford to purchase or would have purchased the assets at their fair value.

**Income Taxes**

The Foundation is a not-for-profit organization exempt from federal income and New Mexico income taxes under the provisions of Internal Revenue Code Section 501(c)(3). 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.

**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.

**MAKE-A-WISH FOUNDATION® OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

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

**Functional Expenses (Continued)**

**Management and General (Continued)**

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 GAAP 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**

All contributions receivable are due within the next twelve months. Management 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 \$209,004 and \$304,753, 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 \$49,127 and \$36,635 were paid from the Foundation to the National Organization during the years ended August 31, 2015 and 2014, respectively.

**MAKE-A-WISH FOUNDATION® OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**NOTE 4 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)**

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 \$-0- and \$100,000 during the years ended August 31, 2015 and 2014, respectively.

Amounts due from and to related entities are as follows:

	<u>2015</u>	<u>2014</u>
Balance at August 31:		
Due from National Organization	\$ 10,167	\$ 61,945
Total Due from Related Entities	<u>\$ 10,167</u>	<u>\$ 61,945</u>
Due to National Organization	<u>\$ 20,251</u>	<u>\$ 5,510</u>
Total Due to Related Entities	<u>\$ 20,251</u>	<u>\$ 5,510</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 \$14,923 and \$25,164, respectively. In 2015 and 2014, amounts due from board members totaled \$1,000 and \$-0-, respectively, and are included in contributions receivable in the accompanying statements of financial position. Amounts paid to related parties for goods and services used in the Foundation's operations totaled \$16,985 and \$22,593 in 2015 and 2014, respectively. Amounts due to related parties as of August 31, 2015 and 2014 totaled \$-0- and \$2,664, respectively, and are included in accounts payable in the accompanying statements of financial position.

The Foundation receives office space as an in-kind donation from a related party. Management of the Lessor is an immediate family of management of the Foundation. In-kind rent was valued at \$24,000 for the year ended August 31, 2015. See Note 7.

**NOTE 5 PROPERTY AND EQUIPMENT, NET**

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

	<u>2015</u>	<u>2014</u>
Computer Equipment and Software	\$ 10,767	\$ 10,767
Office Furniture	23,514	23,514
	<u>34,281</u>	<u>34,281</u>
Less Accumulated Depreciation and Amortization	(30,091)	(29,322)
Property and Equipment, Net	<u>\$ 4,190</u>	<u>\$ 4,959</u>



**MAKE-A-WISH FOUNDATION® OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**NOTE 5 PROPERTY AND EQUIPMENT, NET (CONTINUED)**

Depreciation and amortization expense totaled \$769 and \$3,533 for the years ended August 31, 2015 and 2014, respectively.

**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 22 and 20 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 May 27, 2019. Total rent expense for all operating leases for the years ended August 31, 2015 and 2014 totaled \$28,649 and \$25,947, respectively. This includes \$24,000 in in-kind rent for office space paid to a related party. See Note 4.

**MAKE-A-WISH FOUNDATION® OF NEW MEXICO**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**NOTE 7 LEASES (CONTINUED)**

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

<u>Year Ending August 31:</u>	<u>Operating Leases</u>
2016	\$ 2,956
2017	2,956
2018	2,956
2019	2,217
Total Minimum Lease Payments	<u>\$ 11,085</u>

**NOTE 8 TEMPORARILY RESTRICTED NET ASSETS**

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

	<u>2015</u>	<u>2014</u>
Time Restrictions	\$ 20,075	\$ -
Total Temporarily Restricted Net Assets	<u>\$ 20,075</u>	<u>\$ -</u>

**NOTE 9 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 2.5% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2015 and 2014 were \$5,331 and \$4,854, respectively.

**NOTE 10 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 \$344,194 and \$212,232 were received from a single donor for the years ended August 31, 2015 and 2014, respectively, which represents 22% and 13%, respectively, of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

**MAKE-A-WISH FOUNDATION® OF NEW MEXICO  
NOTES TO FINANCIAL STATEMENTS  
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**NOTE 11 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through February 8, 2016, the date at which the financial statements were available to be issued.