

**MAKE-A-WISH FOUNDATION® OF METRO
NEW YORK AND WESTERN NEW YORK, INC.**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2017 AND 2016

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Metro New York and Western New York, Inc.
Lake Success, New York

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Metro New York and Western New York, Inc. (the Foundation), which comprise the statements of financial position as of August 31, 2017 and 2016, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Make-A-Wish Foundation® of Metro New York and Western New York, 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 Metro New York and Western New York, Inc. as of August 31, 2017 and 2016, and the results of its operations 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

Plymouth Meeting, Pennsylvania
February 1, 2018

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2017 AND 2016

	2017	2016
ASSETS		
Cash and Cash Equivalents	\$ 631,802	\$ 1,796,098
Investments	6,926,144	5,012,824
Due from Related Entities	354,190	324,002
Prepaid Expenses	62,864	16,889
Contributions Receivable, Net	2,779,054	5,777,850
Other Assets	77,511	64,379
Investments Held for Long-Term Purposes	8,999,888	8,304,846
Property and Equipment, Net	129,632	87,268
Total Assets	\$ 19,961,085	\$ 21,384,156
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 978,705	\$ 1,087,080
Accrued Pending Wish Costs - Cash	3,358,228	4,713,948
Accrued Pending Wish Costs - In-Kinds	1,995,761	1,300,162
Due to Related Entities	118,193	132,872
Other Liabilities	107,510	110,822
Total Liabilities	6,558,397	7,344,884
Net Assets		
Unrestricted	5,782,053	4,250,729
Temporarily Restricted	4,044,986	6,212,894
Permanently Restricted	3,575,649	3,575,649
Total Net Assets	13,402,688	14,039,272
Total Liabilities and Net Assets	\$ 19,961,085	\$ 21,384,156

See accompanying Notes to Financial Statements

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2017
(WITH SUMMARY TOTALS FOR YEAR ENDED AUGUST 31, 2016)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	2016 Total
REVENUES, GAINS AND OTHER SUPPORT					
Public Support:					
Contributions	\$ 7,749,278	\$ 294,000	\$ -	\$ 8,043,278	\$ 6,120,733
In-Kind Contributions	1,663,126	913,068	-	2,576,194	2,681,805
Grants	459,660	100,000	-	559,660	406,411
Total Public Support	<u>9,872,064</u>	<u>1,307,068</u>	<u>-</u>	<u>11,179,132</u>	<u>9,208,949</u>
Special Events	2,687,305	-	-	2,687,305	3,113,718
Less Direct Benefit Costs to Donor	<u>(546,546)</u>	<u>-</u>	<u>-</u>	<u>(546,546)</u>	<u>(667,771)</u>
Special Events, Net	<u>2,140,759</u>	<u>-</u>	<u>-</u>	<u>2,140,759</u>	<u>2,445,947</u>
Investment Income, Net	565,161	325,418	-	890,579	439,280
Other Income	77,625	-	-	77,625	63,262
Net Assets Released from Restrictions	<u>3,800,394</u>	<u>(3,800,394)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>16,456,003</u>	<u>(2,167,908)</u>	<u>-</u>	<u>14,288,095</u>	<u>12,157,438</u>
EXPENSES					
Program Services:					
Wish Granting	9,557,511	-	-	9,557,511	8,252,499
Program-Related Support	483,924	-	-	483,924	825,138
Training and Development	637,383	-	-	637,383	603,205
Public Information	554,137	-	-	554,137	590,369
Total Program Services	<u>11,232,955</u>	<u>-</u>	<u>-</u>	<u>11,232,955</u>	<u>10,271,211</u>
Support Services:					
Fundraising	2,009,237	-	-	2,009,237	1,794,191
Management and General	1,682,487	-	-	1,682,487	1,672,785
Total Support Services	<u>3,691,724</u>	<u>-</u>	<u>-</u>	<u>3,691,724</u>	<u>3,466,976</u>
Total Program and Support Services Expenses	<u>14,924,679</u>	<u>-</u>	<u>-</u>	<u>14,924,679</u>	<u>13,738,187</u>
Change in Net Assets	1,531,324	(2,167,908)	-	(636,584)	(1,580,749)
NET ASSETS, BEGINNING OF YEAR	<u>4,250,729</u>	<u>6,212,894</u>	<u>3,575,649</u>	<u>14,039,272</u>	<u>15,620,021</u>
NET ASSETS, END OF YEAR	<u>\$ 5,782,053</u>	<u>\$ 4,044,986</u>	<u>\$ 3,575,649</u>	<u>\$ 13,402,688</u>	<u>\$ 14,039,272</u>

See accompanying Notes to Financial Statements

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT				
Public Support:				
Contributions	\$ 5,721,283	\$ 398,900	\$ 550	\$ 6,120,733
In-Kind Contributions	1,355,855	1,325,950	-	2,681,805
Grants	406,411	-	-	406,411
Total Public Support	<u>7,483,549</u>	<u>1,724,850</u>	<u>550</u>	<u>9,208,949</u>
Special Events	3,113,718	-	-	3,113,718
Less Direct Benefit Costs to Donor	(667,771)	-	-	(667,771)
Special Events, Net	<u>2,445,947</u>	<u>-</u>	<u>-</u>	<u>2,445,947</u>
Investment Income, Net	308,048	131,232	-	439,280
Other Income	63,262	-	-	63,262
Net Assets Released from Restrictions	<u>3,861,312</u>	<u>(3,861,312)</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>14,162,118</u>	<u>(2,005,230)</u>	<u>550</u>	<u>12,157,438</u>
EXPENSES				
Program Services:				
Wish Granting	8,252,499	-	-	8,252,499
Program-Related Support	825,138	-	-	825,138
Training and Development	603,205	-	-	603,205
Public Information	590,369	-	-	590,369
Total Program Services	<u>10,271,211</u>	<u>-</u>	<u>-</u>	<u>10,271,211</u>
Support Services:				
Fundraising	1,794,191	-	-	1,794,191
Management and General	1,672,785	-	-	1,672,785
Total Support Services	<u>3,466,976</u>	<u>-</u>	<u>-</u>	<u>3,466,976</u>
Total Program and Support Services Expenses	<u>13,738,187</u>	<u>-</u>	<u>-</u>	<u>13,738,187</u>
Change in Net Assets	423,931	(2,005,230)	550	(1,580,749)
NET ASSETS, BEGINNING OF YEAR	<u>3,826,798</u>	<u>8,218,124</u>	<u>3,575,099</u>	<u>15,620,021</u>
NET ASSETS, END OF YEAR	<u>\$ 4,250,729</u>	<u>\$ 6,212,894</u>	<u>\$ 3,575,649</u>	<u>\$ 14,039,272</u>

See accompanying Notes to Financial Statements

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2017 AND 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (636,584)	\$ (1,580,749)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	54,165	60,132
Bad Debt Expense	214,795	210,032
Net Realized and Unrealized (Gains) on Investments	(659,831)	(166,999)
Contributed Property and Equipment and Investments	(222,474)	-
Change in Discount to Present Value of Contributions Receivable	39,844	46,273
Changes in Assets and Liabilities:		
Contributions Receivable	2,744,157	1,496,282
Due from Related Entities	(30,188)	57,634
Prepaid Expenses	(45,975)	33,277
Other Assets	(13,132)	(2,928)
Accounts Payable and Accrued Expenses	(108,375)	198,550
Accrued Pending Wish Costs	(660,121)	(779,712)
Due to Related Entities	(14,679)	99,423
Other Liabilities	(3,312)	19,106
Net Cash Provided by (Used in) Operating Activities	658,290	(309,679)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(3,726,509)	(1,378,939)
Proceeds from Sales of Investments	1,964,952	2,374,783
Purchases of Property and Equipment	(61,029)	(34,925)
Net Cash (Used in) Provided by Investing Activities	(1,822,586)	960,919
Net (Decrease) Increase in Cash and Cash Equivalents	(1,164,296)	651,239
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,796,098	1,144,859
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 631,802	\$ 1,796,098

See accompanying Notes to Financial Statements

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2017

	Program Services				Support Services				Total
	Wish Granting	Program-Related Support	Training and Development	Public Information	Total Program Services	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 7,730,187	\$ -	\$ -	\$ -	\$ 7,730,187	\$ -	\$ -	\$ -	\$ 7,730,187
Distributions to Related Entities	-	-	-	-	-	-	-	-	-
Salaries, Taxes, and Benefits	1,120,161	258,331	500,825	439,038	2,318,355	1,546,003	1,088,583	2,634,586	4,952,941
Printing, Subscriptions, and Publications	2,432	4,244	399	27,358	34,433	45,602	10,545	56,147	90,580
Professional Fees	10,010	44,769	27,063	7,486	89,328	120,530	58,048	178,578	267,906
Rent and Utilities	132,404	18,403	49,079	37,382	237,268	83,705	65,288	148,993	386,261
Postage and Delivery	23,473	13,947	86	1,331	38,837	16,216	4,299	20,515	59,352
Travel	18,496	10,164	7,229	27,698	63,587	47,279	50,287	97,566	161,153
Meetings and Conferences	7,194	120	37,125	2,859	47,298	27,632	16,915	44,547	91,845
Office Supplies	3,572	5,495	1,263	1,175	11,505	5,885	10,787	16,672	28,177
Communications	5,248	24,852	1,612	2,538	34,250	11,965	8,931	20,896	55,146
Repairs and Maintenance	9,305	78,520	3,402	2,031	93,258	29,069	27,519	56,588	149,846
Insurance	-	17,145	-	-	17,145	5,231	7,184	12,415	29,560
Bad Debt	-	860	-	-	860	342	213,593	213,935	214,795
Membership Dues	108	244	80	275	707	1,543	161	1,704	2,411
Grants and Scholarships	118,931	-	-	-	118,931	-	-	-	118,931
National Partnership Dues	336,383	-	-	-	336,383	51,096	38,322	89,418	425,801
Miscellaneous	21,594	3,782	957	973	27,306	6,709	71,607	78,316	105,622
Depreciation and Amortization	18,013	3,048	8,263	3,993	33,317	10,430	10,418	20,848	54,165
Special Event Expenses	-	-	-	-	-	546,546	-	546,546	546,546
Investment Fees	-	-	-	-	-	-	61,663	61,663	61,663
	<u>9,557,511</u>	<u>483,924</u>	<u>637,383</u>	<u>554,137</u>	<u>11,232,955</u>	<u>2,555,783</u>	<u>1,744,150</u>	<u>4,299,933</u>	<u>15,532,888</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:									
Special Event Expenses	-	-	-	-	-	(546,546)	-	(546,546)	(546,546)
Investment Fees	-	-	-	-	-	-	(61,663)	(61,663)	(61,663)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 9,557,511</u>	<u>\$ 483,924</u>	<u>\$ 637,383</u>	<u>\$ 554,137</u>	<u>\$ 11,232,955</u>	<u>\$ 2,009,237</u>	<u>\$ 1,682,487</u>	<u>\$ 3,691,724</u>	<u>\$ 14,924,679</u>

See accompanying Notes to Financial Statements

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2016

	Program Services				Total Program Services	Support Services			Total
	Wish Granting	Program-Related Support	Training and Development	Public Information		Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 6,870,249	\$ -	\$ -	\$ -	\$ 6,870,249	\$ -	\$ -	\$ -	\$ 6,870,249
Salaries, Taxes, and Benefits	1,064,992	175,009	453,722	465,982	2,159,705	1,370,050	953,054	2,323,104	4,482,809
Printing, Subscriptions, and Publications	3,832	6,531	2,780	19,513	32,656	45,932	27,012	72,944	105,600
Professional Fees	16,855	755	41,131	2,619	61,360	48,776	263,803	312,579	373,939
Rent and Utilities	139,945	21,576	42,240	39,993	243,754	77,477	67,499	144,976	388,730
Postage and Delivery	25,204	11,775	442	2,009	39,430	22,452	698	23,150	62,580
Travel	12,303	9,613	10,854	32,802	65,572	35,855	35,221	71,076	136,648
Meetings and Conferences	14,881	17,939	33,197	3,167	69,184	38,603	25,219	63,822	133,006
Office Supplies	4,230	6,531	1,224	7,501	19,486	11,802	9,966	21,768	41,254
Communications	14,443	22,192	3,524	4,814	44,973	11,250	10,645	21,895	66,868
Repairs and Maintenance	31,906	57,935	5,820	5,743	101,404	27,555	30,902	58,457	159,861
Insurance	5,118	13,559	-	-	18,677	4,788	7,883	12,671	31,348
Bad Debt Expense	-	135,780	-	-	135,780	32,908	41,344	74,252	210,032
Membership Dues	225	1,672	-	219	2,116	2,426	1,506	3,932	6,048
Grants and Scholarships	25,000	-	-	-	25,000	-	-	-	25,000
National Partnership Dues	-	336,838	-	-	336,838	46,725	42,814	89,539	426,377
Miscellaneous	4,074	4,704	685	1,196	10,659	4,271	142,776	147,047	157,706
Depreciation and Amortization	19,242	2,729	7,586	4,811	34,368	13,321	12,443	25,764	60,132
Special Event Expenses	-	-	-	-	-	667,771	-	667,771	667,771
Investment Fees	-	-	-	-	-	-	54,725	54,725	54,725
	<u>8,252,499</u>	<u>825,138</u>	<u>603,205</u>	<u>590,369</u>	<u>10,271,211</u>	<u>2,461,962</u>	<u>1,727,510</u>	<u>4,189,472</u>	<u>14,460,683</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:									
Special Event Expenses	-	-	-	-	-	(667,771)	-	(667,771)	(667,771)
Investment Fees	-	-	-	-	-	-	(54,725)	(54,725)	(54,725)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 8,252,499</u>	<u>\$ 825,138</u>	<u>\$ 603,205</u>	<u>\$ 590,369</u>	<u>\$ 10,271,211</u>	<u>\$ 1,794,191</u>	<u>\$ 1,672,785</u>	<u>\$ 3,466,976</u>	<u>\$ 13,738,187</u>

See accompanying Notes to Financial Statements

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Metro New York and Western New York, Inc. (the Foundation) is a New York not-for-profit corporation, organized for the purpose of granting wishes to children with life-threatening medical conditions. The Foundation is an independently operating chapter of Make-A-Wish Foundation® of America (National Organization), which operates to develop and implement national programs in public relations and fund raising 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.

The Foundation granted its first wish in 1983 and has granted a total of 12,840 wishes through August 31, 2017. For the year ended August 31, 2017, the Foundation granted 719 wishes at an average cost per wish of approximately \$11,669. This average reflects the direct cash and in-kind expenses of wishes completed during the respective fiscal year.

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 accounting principles generally accepted in the United States of America 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, 2017 and 2016 are \$145,670 and \$14,235, 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.

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment, Net

Property and equipment over \$500 and having 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 40 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 price included in Level 1 inputs, that are observable for the asset (or liability), either directly or indirectly. If the asset (or liability) has a specified term, a Level 2 input must be observable for substantially the full term of the asset (or liability).
- Level 3 Inputs: Unobservable inputs for the asset (or liability) used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset (or liability) at measurement date.

See additional information in Note 3.

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 contributions 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 statement of activities as net assets released from restrictions. When restrictions are met in the same period as the contribution is received, the Foundation records the contribution and the expense as unrestricted. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Foundation received in-kind contributions of assets and services that are reported as follows at August 31:

	August 31, 2017			Total
	Programs	Fundraising	Management and General	
Wish Related	\$ 2,478,012	\$ -	\$ -	\$ 2,478,012
Professional Services	-	400	15,525	15,925
Other	21,690	25,067	-	46,757
	<u>\$ 2,499,702</u>	<u>\$ 25,467</u>	<u>\$ 15,525</u>	2,540,694
Special Events				72,118
Investments (Asset)				186,974
Property and Equipment (Capitalized)				35,500
Total				<u>\$ 2,835,286</u>
	August 31, 2016			
	Programs	Fundraising	Management and General	Total
Wish Related	\$ 2,641,793	\$ -	\$ -	\$ 2,641,793
Professional Services	900	21,838	-	22,738
Other	13,677	1,313	2,284	17,274
	<u>\$ 2,656,370</u>	<u>\$ 23,151</u>	<u>\$ 2,284</u>	2,681,805
Special Events				5,786
Total				<u>\$ 2,687,591</u>

An internal special event is a fund raising 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.

Income Taxes

The Foundation is a not-for-profit organization exempt from federal income and New York State taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Section 7A and the EPTL Section 8-13.4 of the New York State Department of Law Charities Bureau. 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. Management believes that no uncertain tax positions exist for the Foundation as of August 31, 2017 or 2016. The Foundation files income tax returns in the U.S. federal jurisdiction and state jurisdictions.

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The Foundation performs six functions: wish granting, program-related support, training and development, public information, fund raising, and management and general. Definitions of these functions are as follows:

Wish Granting

Activities performed by the Foundation in granting wishes to children with life-threatening medical conditions.

Program-Related Support

Activities performed by the Foundation related to the wish program including the identification of wish candidates and the determination and delivery of each wish. Specific activities include, but are not limited to, the development of wish resources, handling of wish referrals, and administration of the wish program.

Training and Development

Activities performed by the Foundation include, but are not limited to, implementing programs that support the identification of wish candidates and the determination and delivery of the wish.

Public Information

Activities performed by the Foundation in communicating the purpose and services of the Foundation to all potential sources of wish referrals.

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, 2017 and 2016, the Foundation incurred no significant joint costs for activities that included fund raising 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 METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

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 valuation of allocation of functional expenses, 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 of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported 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 table as of August 31, 2017 and 2016 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

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 Investment committee, which oversees the Foundation's investment program in accordance with established guidelines.

Allocation of Investment Strategies

In addition to traditional stocks and fixed income securities, the Foundation may also hold shares or units in traditional institutional funds as well as in alternative investment funds involving hedged strategies, private equity, and real asset strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments, and are valued accordingly. Private equity funds employ buy-out and venture capital strategies and focus on investments in turn-around situations. Real estate funds generally hold interests in public real estate investment trusts (REITS) or commercial real estate through sole-member entities. Private equity and real asset strategies therefore often require the estimation of fair values by the fund managers in the absence of readily determinable market values. Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and the differences could be material. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. Moreover, the fair values of the Foundation's interests in shares or units of these funds, because of liquidity and capital commitment terms that vary depending on the specific fund or partnership agreement, may differ from the fair value of the funds' underlying net assets.

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

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, 2017:

	Fair Value Measurements at August 31, 2017 Using			Total
	(Level 1)	(Level 2)	(Level 3)	
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 7,556,253	\$ -	\$ -	\$ 7,556,253
International Equity	2,240,271	-	-	2,240,271
Debt Securities:				
Corporate	-	6,129,508	-	6,129,508
Total Recurring	\$ 9,796,524	\$ 6,129,508	\$ -	\$ 15,926,032

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, 2016:

	Fair Value Measurements at August 31, 2016 Using			Total
	(Level 1)	(Level 2)	(Level 3)	
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 6,663,868	\$ -	\$ -	\$ 6,663,868
International Equity	1,964,322	-	-	1,964,322
Debt Securities:				
Corporate	-	4,689,480	-	4,689,480
Total Recurring	\$ 8,628,190	\$ 4,689,480	\$ -	\$ 13,317,670

For the valuation of Corporate Debt as of August 31, 2017 and 2016, the Foundation used significant other observable inputs, particularly dealer market prices for comparable investments as of the valuation date (Level 2).

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

Total investment income and gains for the years ended August 31, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Interest and Dividend Income	\$ 292,411	\$ 327,006
Realized and Unrealized Gain, Net	659,831	166,999
Less: Investment Expenses	<u>(61,663)</u>	<u>(54,725)</u>
Investment Income, Net	<u>\$ 890,579</u>	<u>\$ 439,280</u>

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at rates ranging from 1.57% to 7.85% as of August 31, 2017 and 2016. The following is a summary of the Foundation's contributions receivable as of August 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Total Amounts Due in:		
One Year	\$ 1,636,808	\$ 4,389,532
Two to Five Years	<u>1,317,795</u>	<u>1,447,518</u>
Gross Contributions Receivable	2,954,603	5,837,050
Less Allowance for Doubtful Accounts	(136,490)	(34,558)
Less Discount to Present Value	<u>(39,059)</u>	<u>(24,642)</u>
Contributions Receivable, Net	<u>\$ 2,779,054</u>	<u>\$ 5,777,850</u>

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, 2017 and 2016, the Foundation received \$2,228,020 and \$2,474,526, respectively, from these national revenue streams.

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 5 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 contributed \$0 and \$25,000, respectively, during the years ended August 31, 2017 and 2016, respectively.

Conversely, the Foundation 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 the services provided by the National Organization. Amounts totaling \$425,802 and \$426,377 were paid from the Foundation to the National Organization during the years ended August 31, August 31, 2017 and 2016.

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 \$77,625 and \$62,250, respectively, for the years ended August 31, 2017 and 2016, which is recorded in the accompanying statement of activities as other income.

Amounts due from and to related entities as of August 31, 2017 and 2016 are as follows:

	2017	2016
Due from National Organization	\$ 157,067	\$ 229,657
Due from Other Chapters	197,123	94,345
Total Due from Related Entities	<u>\$ 354,190</u>	<u>\$ 324,002</u>
Due to National Organization	\$ 9,458	\$ 88,330
Due to Other Chapters	108,735	44,542
Total Due to Related Entities	<u>\$ 118,193</u>	<u>\$ 132,872</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 2017 and 2016 the Foundation received contributions, both cash and in-kind, from board members totaling \$585,491 and \$670,981, respectively. In 2017 and 2016, amounts due from board members totaled \$1,627,807 and \$4,023,591, respectively, and are included in contributions receivable in the accompanying statements of financial position. Amounts due to related parties as of August 31, 2017 and 2016 totaled \$118,193 and \$132,872, respectively.

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 6 PROPERTY AND EQUIPMENT, NET

Property and equipment as of August 31, 2017 and 2016 consisted of the following:

	2017	2016
Computer Equipment and Software	\$ 236,696	\$ 201,190
Office Furniture	115,236	95,436
Other Equipment	97,729	97,729
Leasehold Improvements	130,430	89,207
	580,091	483,562
Less Accumulated Depreciation	(450,459)	(396,294)
Property and Equipment, Net	\$ 129,632	\$ 87,268

Depreciation expense totaled \$54,165 and \$60,132 for the years ended August 31, 2017 and 2016, respectively.

NOTE 7 ACCRUED PENDING WISH COSTS

The Foundation accrues for estimated costs of reportable pending wishes when five certain, measurable wish criteria are met. Prior to meeting these five criteria, the wish is not considered an obligation due to the inherent uncertainties surrounding these criteria and is therefore not accrued as a pending wish. This accrual does not represent a legally binding liability, but is considered a moral obligation to the child by the Foundation arising when the five criteria are met. 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 includes the estimated in-kind outlay that is expected to be incurred in fulfilling each wish even though the matching in-kind revenues are not recognized until the in-kind goods or services, or an unconditional promise for those in-kind goods or services, are received. Although not fully guaranteed, if the related expected in-kind revenue were recognized in the same fiscal period as the expected in-kind expense, total net assets at August 31, 2017 would be \$15,384,340.

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 7 ACCRUED PENDING WISH COSTS (CONTINUED)

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, 2017 and 2016, the Foundation had approximately 484 and 586 reportable pending wishes, respectively.

NOTE 8 LEASES

The Foundation is obligated under various operating leases for offices and equipment, which expire at various dates through 2022. Total rent expense for all operating leases for the years ended August 31, 2017 and 2016 totaled \$313,684 and \$291,405, respectively.

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

<u>Year Ending August 31:</u>	<u>Operating Leases</u>
2018	\$306,095
2019	28,358
2020	28,887
2021	27,529
2022	9,237
Total Minimum Lease Payments	<u>\$400,106</u>

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 54 individual funds 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 statement of financial position.

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 9 ENDOWMENTS (CONTINUED)

The board of directors of the Foundation has interpreted the New York State 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:

Interpretation of Relevant Law

1. The duration and preservation of the fund
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, 2017 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor-Restricted Endowment Funds	\$ -	\$ 1,228,986	\$ 3,575,649	\$ 4,804,635
Board-Designated Endowment Funds	4,241,545	-	-	4,241,545
Total Funds	<u>\$ 4,241,545</u>	<u>\$ 1,228,986</u>	<u>\$ 3,575,649</u>	<u>\$ 9,046,180</u>

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 9 ENDOWMENTS (CONTINUED)

Endowment net asset composition by type of fund as of August 31, 2016 is as follows:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted				
Endowment Funds	\$ -	\$ 903,568	\$ 3,575,649	\$ 4,479,217
Board-Designated				
Endowment Funds	3,850,649	-	-	3,850,649
Total Funds	<u>\$ 3,850,649</u>	<u>\$ 903,568</u>	<u>\$ 3,575,649</u>	<u>\$ 8,329,866</u>

Changes in endowment net assets for the year ended August 31, 2017 are as follows:

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	\$ 3,850,649	\$ 903,568	\$ 3,575,649	\$ 8,329,866
Investment Return:				
Investment Income	76,962	87,684	-	164,646
Net Appreciation (Realized and Unrealized)	185,158	237,734	-	422,892
Total Investment Return	262,120	325,418	-	587,538
Contributions	128,776	-	-	128,776
Endowment Net Assets, End of Year	<u>\$ 4,241,545</u>	<u>\$ 1,228,986</u>	<u>\$ 3,575,649</u>	<u>\$ 9,046,180</u>

Changes in endowment net assets for the year ended August 31, 2016 are as follows:

	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	\$ 3,658,367	\$ 772,336	\$ 3,575,099	\$ 8,005,802
Investment Return:				
Investment Income	86,833	100,646	-	187,479
Net Appreciation (Realized and Unrealized)	32,349	30,586	-	62,935
Total Investment Return	119,182	131,232	-	250,414
Contributions	73,100	-	550	73,650
Endowment Net Assets, End of Year	<u>\$ 3,850,649</u>	<u>\$ 903,568</u>	<u>\$ 3,575,649</u>	<u>\$ 8,329,866</u>

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 9 ENDOWMENTS (CONTINUED)

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

	2017	2016
Permanently Restricted Net Assets:		
(1) The Portion of Perpetual Endowment Funds that is Required to be Retained Permanently Either by Explicit Donor Stipulation or by UPMIFA	\$ 3,575,649	\$ 3,575,649
Temporarily Restricted Net Assets:		
(1) Term Endowment Funds	\$ 1,228,986	\$ 903,568

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. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets. There are no such deficiencies as of August 31, 2017 and 2016.

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. 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 has a policy of appropriating for distribution each year up to 5% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 6% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 10 TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes for the years ended August 31, 2017 and 2016:

	2017	2016
Time Restrictions	\$ 1,403,986	\$ 3,078,569
Purpose Restrictions	2,641,000	3,134,325
Total Temporarily Restricted Net Assets	\$ 4,044,986	\$ 6,212,894

For the years ended August 31, 2017 and 2016, permanently restricted net assets are restricted to:

	2017	2016
Investments in Perpetuity, the Income from which is Expendable to Support any Activities of the Foundation	\$ 3,575,649	\$ 3,575,649

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 4% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2017 and 2016 were \$72,383 and \$92,513, 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 \$1,575,083 and \$1,434,921 were received from a single donor for the years ended August 31, 2017 and 2016, which represents approximately 14% and 17% of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

MAKE-A-WISH FOUNDATION® OF METRO NEW YORK AND WESTERN NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 13 LITIGATION AND CLAIMS

The Foundation is periodically involved in litigation and claims arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Foundation's financial position, change in net assets, or liquidity.

NOTE 14 SUBSEQUENT EVENT

The Foundation has evaluated subsequent events from the statement of financial position date through February 1, 2018, the date at which the financial statements were available to be issued.



Investment advisory services are offered through CliftonLarsonAllen
Wealth Advisors, LLC, an SEC-registered investment advisor.