

**MAKE-A-WISH FOUNDATION®
OF THE HUDSON VALLEY**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2015 AND 2014

**MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
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 the Hudson Valley
Tarrytown, New York

We have audited the accompanying financial statements of Make-A-Wish Foundation® of the Hudson Valley, 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 the Hudson Valley

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
January 28, 2016

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2015 AND 2014

	2015	2014
ASSETS		
Cash and Cash Equivalents	\$ 143,977	\$ 25,088
Investments	1,016,841	1,006,766
Due from Related Entities	43,771	33,234
Prepaid Expenses	22,913	19,488
Contributions Receivable, Net	93,705	71,961
Other Assets	9,166	8,416
Investments Held for Long-Term Purposes	4,303	4,303
Property and Equipment, Net	33,107	50,061
Beneficial Interest in Assets Held by Others	10,745	16,113
Total Assets	\$ 1,378,528	\$ 1,235,430
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 118,726	\$ 38,993
Accrued Pending Wish Costs	439,719	318,504
Due to Related Entities	22,996	4,692
Other Liabilities	35,450	33,892
Capital Lease Obligations	13,822	18,728
Total Liabilities	630,713	414,809
Net Assets		
Unrestricted	630,332	740,132
Temporarily Restricted	113,180	76,186
Permanently Restricted	4,303	4,303
Total Net Assets	747,815	820,621
Total Liabilities and Net Assets	\$ 1,378,528	\$ 1,235,430

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT				
Public Support:				
Contributions, Net of Write-Offs	\$ 1,807,395	\$ 105,705	\$ -	\$ 1,913,100
Grants	91,348	4,690	-	96,038
Total Public Support	<u>1,898,743</u>	<u>110,395</u>	<u>-</u>	<u>2,009,138</u>
Internal Special Events	500,961	3,000	-	503,961
Less Costs of Direct Benefits to Donors	<u>(100,132)</u>	<u>-</u>	<u>-</u>	<u>(100,132)</u>
Total Special Events	<u>400,829</u>	<u>3,000</u>	<u>-</u>	<u>403,829</u>
Investment Loss, Net	(4,924)	-	-	(4,924)
Other Income	4,790	-	-	4,790
Net Assets Released from Restrictions	<u>71,033</u>	<u>(71,033)</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>2,370,471</u>	<u>42,362</u>	<u>-</u>	<u>2,412,833</u>
EXPENSES				
Program Services:				
Wish Granting	1,986,858	-	-	1,986,858
Total Program Services	<u>1,986,858</u>	<u>-</u>	<u>-</u>	<u>1,986,858</u>
Support Services:				
Fundraising	332,337	-	-	332,337
Management and General	161,076	-	-	161,076
Total Support Services	<u>493,413</u>	<u>-</u>	<u>-</u>	<u>493,413</u>
Total Program and Support Services Expense	<u>2,480,271</u>	<u>-</u>	<u>-</u>	<u>2,480,271</u>
CHANGE IN VALUE OF BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS	-	5,368	-	5,368
Total Expenses and Losses	<u>2,480,271</u>	<u>5,368</u>	<u>-</u>	<u>2,485,639</u>
CHANGE IN NET ASSETS	(109,800)	36,994	-	(72,806)
Net Assets - Beginning of Year	<u>740,132</u>	<u>76,186</u>	<u>4,303</u>	<u>820,621</u>
NET ASSETS - END OF YEAR	<u>\$ 630,332</u>	<u>\$ 113,180</u>	<u>\$ 4,303</u>	<u>\$ 747,815</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2014

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT				
Public Support:				
Contributions, Net of Write-Offs	\$ 1,633,638	\$ 60,073	\$ -	\$ 1,693,711
Grants	97,200	-	-	97,200
Total Public Support	1,730,838	60,073	-	1,790,911
Internal Special Events	596,554	-	-	596,554
Less Costs of Direct Benefits to Donors	(79,082)	-	-	(79,082)
Total Special Events	517,472	-	-	517,472
Investment Income, Net	69,808	-	-	69,808
Other Income	409	-	-	409
Net Assets Released from Restrictions	65,025	(65,025)	-	-
Total Revenues, Gains, and Other Support	2,383,552	(4,952)	-	2,378,600
EXPENSES				
Program Services:				
Wish Granting	1,867,016	-	-	1,867,016
Total Program Services	1,867,016	-	-	1,867,016
Support Services:				
Fundraising	339,509	-	-	339,509
Management and General	246,890	-	-	246,890
Total Support Services	586,399	-	-	586,399
Total Program and Support Services Expense	2,453,415	-	-	2,453,415
CHANGE IN VALUE OF BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS	-	107	-	107
Total Expenses and Losses	2,453,415	107	-	2,453,522
CHANGE IN NET ASSETS	(69,863)	(5,059)	-	(74,922)
Net Assets - Beginning of Year	809,995	81,245	4,303	895,543
NET ASSETS - END OF YEAR	\$ 740,132	\$ 76,186	\$ 4,303	\$ 820,621

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (72,806)	\$ (74,922)
Adjustments to reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	16,954	13,751
Net Realized and Unrealized (Gains) Losses on Investments	10,490	(64,567)
Contributed Property and Equipment, Inventory and Investments	-	(3,875)
Change in Value of Beneficial Interest in Assets Held by Others	5,368	107
Changes in Assets and Liabilities:		
Contributions Receivable	(21,744)	4,492
Due from Related Entities	(10,537)	15,226
Prepaid Expenses	(3,425)	(2,258)
Other Assets	(750)	-
Accounts Payable and Accrued Expenses	79,733	(15,583)
Accrued Pending Wish Costs	121,215	59,902
Due to Related Entities	18,304	(477)
Other Liabilities	1,558	(11,291)
Net Cash Provided (Used) by Operating Activities	144,360	(79,495)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(139,652)	(136,096)
Proceeds from Sales of Investments	119,087	215,849
Purchases of Property and Equipment	-	(22,759)
Net Cash Provided (Used) by Investing Activities	(20,565)	56,994
 CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Lease Obligations	(4,906)	(4,761)
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	118,889	(27,262)
 CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	25,088	52,350
 CASH AND CASH EQUAVALENTS - END OF YEAR	\$ 143,977	\$ 25,088
 SUPPLEMENTAL CASH FLOW INFORMATION		
Contributed Property and Equipment	\$ -	\$ 3,875
 Cash Paid for Interest on Capital lease	\$ 495	\$ 640

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2015

	Program Services		Support Services		Total
	Wish Granting	Fundraising	Management and General	Support Services	
Direct Costs of Wishes	\$ 1,249,889	\$ -	\$ -	\$ -	\$ 1,249,889
Salaries, Taxes, and Benefits	499,066	179,335	101,458	280,793	779,859
Printing, Subscriptions, and Publications	3,400	32,564	3,109	35,673	39,073
Professional Fees	41,306	29,634	9,154	38,788	80,094
Rent and Utilities	74,282	26,695	15,089	41,784	116,066
Postage and Delivery	4,128	7,168	899	8,067	12,195
Travel	4,887	3,083	1,214	4,297	9,184
Meetings and Conferences	4,478	20,037	1,850	21,887	26,365
Office Supplies	17,219	14,115	1,791	15,906	33,125
Communications	6,357	2,285	1,291	3,576	9,933
Repairs and Maintenance	1,389	499	282	781	2,170
Membership Dues	332	119	68	187	519
National Partnership Dues	59,565	8,294	7,540	15,834	75,399
Miscellaneous	9,710	3,376	2,204	5,580	15,290
Bank Fees	-	1,233	12,923	14,156	14,156
Depreciation and Amortization	10,850	3,900	2,204	6,104	16,954
	<u>\$ 1,986,858</u>	<u>\$ 332,337</u>	<u>\$ 161,076</u>	<u>\$ 493,413</u>	<u>\$ 2,480,271</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
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	\$ 1,148,204	\$ -	\$ -	\$ -	\$ 1,148,204
Salaries, Taxes, and Benefits	489,483	163,161	163,161	326,322	815,805
Printing, Subscriptions, and Publications	7,821	39,243	1,818	41,061	48,882
Professional Fees	35,740	14,905	17,318	32,223	67,963
Rent and Utilities	81,337	27,112	27,112	54,224	135,561
Postage and Delivery	4,166	6,039	1,136	7,175	11,341
Travel	7,323	3,424	4,549	7,973	15,296
Meetings and Conferences	4,175	51,706	2,796	54,502	58,677
Office Supplies	15,391	15,786	3,205	18,991	34,382
Communications	6,071	2,024	2,024	4,048	10,119
Repairs and Maintenance	2,323	774	774	1,548	3,871
Membership Dues	105	135	35	170	275
National Partnership Dues	52,686	9,064	9,064	18,128	70,814
Miscellaneous	387	(121)	139	18	405
Bank Fees	3,553	3,507	11,009	14,516	18,069
Depreciation and Amortization	8,251	2,750	2,750	5,500	13,751
	<u>\$ 1,867,016</u>	<u>\$ 339,509</u>	<u>\$ 246,890</u>	<u>\$ 586,399</u>	<u>\$ 2,453,415</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of the Hudson Valley (the Foundation) is a New York state 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. The Foundation has classified any cash or money market funds held by external investment custodians as investments as these funds are not intended for current operations.

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. Beneficial interests held by others are valued by using the net asset value (NAV) per share as a practical expedient.

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 life of the asset or the remaining terms of the lease.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment, Net

The costs of maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances indicate a long-lived asset may be impaired, the asset value will be reduced to fair value. Fair value is determined through various valuation techniques including quoted market values and third-party independent appraisals, as considered necessary.

Fair Value Measurements

Fair value measurements of financial assets and financial liabilities and fair value measurements of nonfinancial items are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Foundation determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets (or liabilities) that the reporting entity has the ability to access at the measurement date.
- Level 2 Inputs: Prices for a similar asset (or liability), other than quoted prices included in Level 1 inputs, that are observable for the asset (or liability), either directly or indirectly. If the asset (or liability) has a specified term, a Level 2 input must be observable for substantially the full term of the asset (or liability).
- Level 3 Inputs: Unobservable inputs for the asset (or liability) used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset (or liability) at measurement date.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

The Foundation adopted the net asset value (NAV) per share or its equivalent for valuing certain investments in funds that do not have readily determinable fair values. NAV, in many instances, may not equal fair value.

Net Assets

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

- **Permanently Restricted Net Assets** – Net assets subject to donor-imposed restrictions that the principal be maintained in perpetuity. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for unrestricted purposes.
- **Temporarily Restricted Net Assets** – Net assets subject to restrictions imposed by donor or law that may be met either by actions of the Foundation or the passage of time.
- **Unrestricted Net Assets** – Net assets that are not subject to donor-imposed restrictions or law.

Revenue Recognition

Unconditional promises to give are recognized initially at fair value as contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. Amortization of the discounts is recorded as additional contribution revenue. Conditional promises are recorded as revenue once the conditions are substantially met. Contributions, grants, and bequests are recognized as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. When restrictions are met in the same period as the contribution is received, the Foundation records the contribution and the expense as unrestricted. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

	2015	2014
Contributions:		
Wish Related	\$ 348,659	\$ 324,058
Professional Services	-	5,550
Property and Equipment	-	3,875
Other	-	1,860
Total	\$ 348,659	\$ 335,343

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 \$348,659 and \$331,468 in 2015 and 2014, respectively, with the difference recorded as donated property and equipment.

Income Taxes

The Foundation is a not-for-profit organization exempt from federal income and New York state income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and the New York State tax code. However, the Foundation remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

Management believes that no uncertain tax positions exist for the Foundation at August 31, 2015 and 2014.

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.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fundraising

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations. During the fiscal year ended August 31, 2015, the Foundation incurred no significant joint costs for activities that include fundraising appeals.

Management and General

All costs not identifiable with a single program or fundraising activity, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment, and other expenses.

Expenses that benefit more than one function of the Foundation are allocated among the functions based generally on the amount of time spent by employees on each function.

Management Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, valuation of investments and contributions receivable, accrued pending wish costs, net of attrition on pending wish costs and whether an allowance for uncollectible contributions receivable is required. The current economic environment continues to create a high degree of uncertainty in those estimates and assumptions.

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.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

The fair values of the financial instruments shown in the following tables as of August 31, 2015 and 2014 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

Investments

Overall Investment Objective

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

Allocation of Investment Strategies

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.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy

The following table presents the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at August 31, 2015:

	(Level 1)	(Level 2)	(Level 3)	Total
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 195,253	\$ -	\$ -	\$ 195,253
International Equity	45,497	-	-	45,497
Debt Securities:				
U.S. Treasury	587,057	-	-	587,057
Corporate	149,348	-	-	149,348
Cash and Cash Equivalents	-	-	-	43,989
Total Recurring	977,155	-	-	1,021,144
Nonrecurring:				
Beneficial Interest in Assets	-	-	10,745	10,745
Total Nonrecurring	-	-	10,745	10,745
Total	\$ 977,155	\$ -	\$ 10,745	\$ 1,031,889

The following table presents the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at August 31, 2014:

	(Level 1)	(Level 2)	(Level 3)	Total
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 229,961	\$ -	\$ -	\$ 229,961
International Equity	29,669	-	-	29,669
Debt Securities:				
U.S. Treasury	568,008	-	-	568,008
Corporate	149,881	-	-	149,881
Cash and Cash Equivalents	-	-	-	33,550
Total Recurring	977,519	-	-	1,011,069
Nonrecurring:				
Beneficial Interest in Assets	-	-	16,113	16,113
Total Nonrecurring	-	-	16,113	16,113
Total	\$ 977,519	\$ -	\$ 16,113	\$ 1,027,182

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

For the valuation of Beneficial interests held by others at August 31, 2015, the Foundation used significant unobservable inputs including net asset value, as a practical expedient (Level 3).

Quantitative Information About Level 3 Fair Value Measurements			
Type of Investments	Fair Value at August 31, 2015	Valuation Technique	Unobservable Input
Beneficial Interest in Assets Held by Others	<u>\$ 10,745</u>	Net Asset Value (NAV)	Percentage of annual investment return applied to outstanding account balance

For the valuation of Beneficial interests held by others at August 31, 2014, the Foundation used significant unobservable inputs including net asset value, as a practical expedient (Level 3).

Quantitative Information About Level 3 Fair Value Measurements			
Type of Investments	Fair Value at August 31, 2014	Valuation Technique	Unobservable Input
Beneficial Interest in Assets Held by Others	<u>\$ 16,113</u>	Net Asset Value (NAV)	Percentage of annual investment return applied to outstanding account balance

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

Beginning Balance	(Level 3) <u>\$ 16,113</u>
Total Losses (Realized/Unrealized) Included in Changes in Net Assets	<u>(5,368)</u>
Ending Balance	<u>\$ 10,745</u>
Change in Unrealized Gains or Losses for the Period Included in the Change in Net Assets Relating to Investments Still Held at End of Reporting Period	<u>\$ (5,368)</u>

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

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

	(Level 3)
Beginning Balance	\$ 16,220
Total Losses (Realized/Unrealized) Included in Changes in Net Assets	(107)
Ending Balance	\$ 16,113
Change in Unrealized Gains or Losses for the Period Included in the Change in Net Assets Relating to Investments Still Held at End of Reporting Period	\$ (107)

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

	2015	2014
Interest and Dividend Income	\$ 14,265	\$ 14,296
Realized and Unrealized Gains (Losses), Net	(10,490)	64,567
Less Investment Expenses	(8,699)	(9,055)
Investment Income (Loss), Net	\$ (4,924)	\$ 69,808

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable August 31, 2015 and 2014 were \$93,705 and \$71,961, which is due from three donors and two donors, respectively, and 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.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 5 SPLIT-INTEREST AGREEMENTS

Beneficial Interest in Assets Held by Others

Donors have contributed assets to the National Organization in exchange for a promise by the National Organization to pay a fixed amount for a specified period of time to the donor or to individuals designated by the donor. Under the terms of such agreements, no trust exists, as the assets received are held by and the liability is an obligation of the National Organization. The National Organization records contribution revenue using the fair value of the assets less the present value of the payments expected to be made to the beneficiaries. The Foundation is named as beneficiary in one of these agreements. Accordingly, temporarily restricted contribution revenue and the related assets are recognized at fair value in the period in which the Foundation received notice that the agreement conveys an unconditional right to receive benefits. Subsequent changes in the value of the underlying assets are recorded in the accompanying statement of activities as the change in value of beneficial interest in assets held by others.

NOTE 6 TRANSACTIONS WITH RELATED ENTITIES

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel and training scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the years ended August 31, 2015 and 2014, respectively, the Foundation received \$605,925 and \$512,987, 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 \$21,500 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. Amounts totaling \$127,429 and \$106,373 were paid from the Foundation to the National Organization during the years ended August 31, 2015 and 2014, respectively.

Chapters who assist with the organization and granting of wishes from other chapters are paid a "fee for service" called the wish assist fee. Under this program, the Foundation received \$375 and \$150 for the years ended August 31, 2015 and 2014, respectively, which is recorded in the accompanying statements of activities as other income.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

Amounts due from and to related entities are as follows:

	<u>2015</u>	<u>2014</u>
Balance at August 31:		
Due from National Organization	\$ 39,895	\$ 18,967
Due from Other Chapters	3,876	14,267
Total Due from Related Entities	<u>\$ 43,771</u>	<u>\$ 33,234</u>
Due to National Organization	\$ 1,409	\$ -
Due to Other Chapters	21,587	4,692
Total Due to Related Entities	<u>\$ 22,996</u>	<u>\$ 4,692</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 employees and board members totaling \$68,560 and \$66,082, respectively.

NOTE 7 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	\$ 109,814	\$ 109,814
Website and Website Templates	13,146	13,146
Office Furniture	9,305	9,305
Other Equipment	75,099	75,099
Leasehold Improvements	8,947	8,947
	<u>216,311</u>	<u>216,311</u>
Less Accumulated Depreciation and Amortization	<u>(183,204)</u>	<u>(166,250)</u>
Property and Equipment, Net	<u>\$ 33,107</u>	<u>\$ 50,061</u>

Depreciation and amortization expense totaled \$16,954 and \$13,751 for the years ended August 31, 2015 and 2014, respectively.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 8 ACCRUED PENDING WISH COSTS

The Foundation accrues for estimated costs of reportable pending wishes as unconditional promises to give when five certain, measurable wish criteria are met. Prior to meeting these five criteria, the wish is considered a conditional promise to give due to the inherent uncertainties surrounding these criteria and is therefore not accrued as a pending wish liability. Reportable pending wish criteria include:

1. Receiving a referral,
2. Obtaining the required medical eligibility form,
3. Contact with the wish family has occurred to determine the prospective wish,
4. Determination that the wish falls within the National Organization's wish granting policy, and
5. The wish is expected to be granted within the next 12 months.

Estimated cash and in-kind costs owed as of year-end for all reportable pending wishes are accrued as pending wish liability. The in-kind portion of the pending wish liability represents the estimated in-kind outlay that is expected to be incurred in fulfilling each wish; note that the matching in-kind revenues are recognized when an unconditional promise is received for the required goods or services or in the future period when the wish is granted.

The Foundation, as part of its estimate of accrued pending wish costs, also considers attrition on pending wish costs. An attrition rate is calculated by the Foundation by analyzing the trend of wishes that have been accrued for using the five criteria discussed above that have not been able to be completed within the past twelve months due to factors outside of the control of the chapter, such as the death of a child, the move of the family out of the chapter's territory, or loss of contact with the family. As of August 31, 2015 and 2014, the Foundation had approximately 87 and 43 reportable pending wishes, respectively.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 9 LEASES

The Foundation is obligated under various capital and operating leases for offices and equipment, which expire at various dates through June 30, 2021. As of August 31, 2015 and 2014, the cost of leased property and equipment under capital leases was \$25,044, and accumulated depreciation was \$11,688 and \$6,679, respectively. Total rent expense for all operating leases for the years ended August 31, 2015 and 2014 totaled \$108,604 and \$114,240, respectively.

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>	<u>Capital Leases</u>
2016	\$ 110,776	\$ 5,400
2017	112,992	5,400
2018	115,251	3,600
2019	117,557	-
2020	119,908	-
2021	101,583	-
Total Minimum Lease Payments	<u>\$ 678,067</u>	<u>14,400</u>
Less Amounts Representing Interest		<u>(578)</u>
Present Value of Net Minimum Lease Payments		<u>\$ 13,822</u>

NOTE 10 ENDOWMENTS

The Foundation is subject to the enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and is required to make disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

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

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 10 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the New York UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

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

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-Restricted Endowment Funds	\$ -	\$ -	\$ 4,303	\$ 4,303
Total Funds	\$ -	\$ -	\$ 4,303	\$ 4,303

	2014			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-Restricted Endowment Funds	\$ -	\$ -	\$ 4,303	\$ 4,303
Total Funds	\$ -	\$ -	\$ 4,303	\$ 4,303

There were no changes in endowment net assets for the years ended August 31, 2015 and 2014.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 10 ENDOWMENTS (CONTINUED)

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

	2015	2014
Permanently Restricted Net Assets:		
The Portion of Perpetual Endowment Funds that is Required to be Retained Permanently Either by Explicit Donor Stipulation or by UPMIFA	<u>\$ 4,303</u>	<u>\$ 4,303</u>

NOTE 11 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	\$ 93,705	\$ 76,186
Purpose Restrictions	19,475	-
Total Temporarily Restricted Net Assets	<u>\$ 113,180</u>	<u>\$ 76,186</u>

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

	2015	2014
Investments in Perpetuity, the Income from which is Expendable to Support Any Activities of the Foundation	<u>\$ 4,303</u>	<u>\$ 4,303</u>

NOTE 12 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 3% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2015 and 2014 were \$14,408 and \$19,351, respectively.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 13 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 \$238,625 and \$197,836 were received from a single donor for the years ended August 31, 2015 and 2014, respectively, which represents 12% and 11%, respectively, of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 14 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through January 28, 2016, the date at which the financial statements were available to be issued.