

**MAKE-A-WISH FOUNDATION® OF GREATER LOS ANGELES**

Financial Statements

August 31, 2014

(With Independent Auditors' Report Thereon)

**MAKE-A-WISH FOUNDATION® OF GREATER LOS ANGELES**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Greater Los Angeles  
Phoenix, Arizona

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Greater Los Angeles, which comprise the statement of financial position as of August 31, 2014, and the related statements of activities, cash flows and functional expenses for the year 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 audit. We conducted our audit 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 Greater Los Angeles

***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 Greater Los Angeles as of August 31, 2014, and the change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Phoenix, Arizona  
February 4, 2015

**MAKE-A-WISH FOUNDATION® OF GREATER LOS ANGELES**

Statement of Financial Position

August 31, 2014

**Assets**

Cash and cash equivalents	\$	584,664
Investments		1,468,444
Due from related entities		152,251
Prepaid expenses		9,821
Contributions receivable, net		211,447
Other assets		40,216
Property and equipment, net		16,064
Total assets	\$	<u>2,482,907</u>

**Liabilities and Net Assets**

Accounts payable and accrued expenses	\$	267,045
Accrued pending wish costs		1,034,634
Due to related entities		36,436
Other liabilities		20,077
Total liabilities		<u>1,358,192</u>
Net assets		
Unrestricted		992,969
Temporarily restricted		131,746
Total net assets		<u>1,124,715</u>
Total liabilities and net assets	\$	<u>2,482,907</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF GREATER LOS ANGELES**

Statement of Activities

Year Ended August 31, 2014

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Revenues, gains, and other support:			
Public support:			
Contributions	\$ 4,128,900	39,683	4,168,583
Grants	124,892	—	124,892
Total public support	<u>4,253,792</u>	<u>39,683</u>	<u>4,293,475</u>
Internal Special events	1,167,634	—	1,167,634
Less costs of direct benefits to donors	<u>(215,601)</u>	<u>—</u>	<u>(215,601)</u>
Total special events	952,033	—	952,033
Investment income, net	200,091	—	200,091
Other income	90,384	—	90,384
Net assets released from restrictions	<u>136,823</u>	<u>(136,823)</u>	<u>—</u>
Total revenues, gains, and other support	<u>5,633,123</u>	<u>(97,140)</u>	<u>5,535,983</u>
Expenses:			
Program services:			
Wish granting	<u>3,919,370</u>	<u>—</u>	<u>3,919,370</u>
Total program services	<u>3,919,370</u>	<u>—</u>	<u>3,919,370</u>
Support services:			
Fundraising	933,123	—	933,123
Management and general	<u>423,184</u>	<u>—</u>	<u>423,184</u>
Total support services	<u>1,356,307</u>	<u>—</u>	<u>1,356,307</u>
Total program and support services expenses	5,275,677	—	5,275,677
Change in net assets	357,446	(97,140)	260,306
Net assets, beginning of the year	<u>635,523</u>	<u>228,886</u>	<u>864,409</u>
Net assets, end of the year	<u>\$ 992,969</u>	<u>131,746</u>	<u>1,124,715</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF GREATER LOS ANGELES**

Statement of Cash Flows

Year ended August 31, 2014

Cash flows from operating activities:	
Change in net assets	\$ 260,306
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation and amortization	10,502
Bad debt expense	(120)
Net realized and unrealized gains on investments	(175,940)
Change in discount to present value of contributions receivable	1,810
Changes in assets and liabilities:	
Contributions receivable	18,860
Due from related entities	73,076
Prepaid expenses	(2,740)
Other assets	(13,976)
Accounts payable and accrued expenses	9,165
Accrued pending wish costs	18,153
Due to related entities	22,262
Other liabilities	(14,910)
Net cash provided by operating activities	<u>206,448</u>
Cash flows from investing activities:	
Purchases of investments	(1,333,525)
Proceeds from sales of investments	1,324,451
Purchases of property and equipment	(7,881)
Net cash used in investing activities	<u>(16,955)</u>
Net increase in cash and cash equivalents	189,493
Cash and cash equivalents, beginning of year	<u>395,171</u>
Cash and cash equivalents, end of year	<u>\$ 584,664</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF GREATER LOS ANGELES**

Statement of Functional Expenses

Year ended August 31, 2014

	<b>Program services</b>		<b>Support services</b>		<b>Total</b>
	<b>Wish granting</b>	<b>Fundraising</b>	<b>Management and general</b>	<b>Total support services</b>	
Direct costs of wishes	\$ 2,785,986	—	—	—	2,785,986
Salaries, taxes, and benefits	818,731	688,028	285,472	973,500	1,792,231
Printing, subscriptions, and publications	13,354	28,220	2,130	30,350	43,704
Professional fees	5,643	28,629	17,230	45,859	51,502
Rent and utilities	116,383	74,158	35,100	109,258	225,641
Postage and delivery	4,470	16,720	799	17,519	21,989
Travel	5,422	10,652	12,440	23,092	28,514
Meetings and conferences	19,263	21,047	20,087	41,134	60,397
Office supplies	17,093	8,526	2,241	10,767	27,860
Communications	9,189	5,678	2,742	8,420	17,609
Advertising and media (cash)	5,000	—	—	—	5,000
Repairs and maintenance	39,279	26,467	12,487	38,954	78,233
Insurance	5,109	3,498	1,593	5,091	10,200
Bad debt expense	—	—	(120)	(120)	(120)
Membership dues	—	1,315	—	1,315	1,315
National partnership dues	69,250	9,766	9,766	19,532	88,782
Miscellaneous	—	6,826	19,506	26,332	26,332
Depreciation and amortization	5,198	3,593	1,711	5,304	10,502
	<u>\$ 3,919,370</u>	<u>933,123</u>	<u>423,184</u>	<u>1,356,307</u>	<u>5,275,677</u>

See accompanying Notes to Financial Statements.

# MAKE-A-WISH FOUNDATION® OF GREATER LOS ANGELES

## Notes to Financial Statements

August 31, 2014

### (1) Organization

Make-A-Wish Foundation® of Greater Los Angeles (the Foundation) is a California 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.

### (2) Summary of Significant Accounting Policies

#### (a) 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).

#### (b) 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, 2014 was \$117,724 of money market funds.

#### (c) 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.

#### (d) 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. Contributions are written off when deemed uncollectible.

#### (e) Property and Equipment, Net

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

**MAKE-A-WISH FOUNDATION® OF GREATER LOS ANGELES**

Notes to Financial Statements

August 31, 2014

(e) ***Property and Equipment, Net (Continued)***

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

(f) ***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.

(g) ***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. As of August 31, 2014, the Foundation had no permanently restricted net assets.
- **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.

**MAKE-A-WISH FOUNDATION® OF GREATER LOS ANGELES**

Notes to Financial Statements

August 31, 2014

**(h) 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 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.

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

Contributions:	
Wish related	\$ 982,221
Professional services	7,980
Property and equipment	7,030
Other	43,386
Total	\$ <u>1,040,617</u>
Special event revenue:	
Internal special events	\$ <u>1,546,830</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.

# MAKE-A-WISH FOUNDATION® OF GREATER LOS ANGELES

## Notes to Financial Statements

August 31, 2014

### **(h) Revenue Recognition (Continued)**

Advertising and media is used to help the Foundation communicate its message or mission and includes fund raising materials, informational material, or advertising, and may be in the form of an audio or video tape of a public service announcement, a layout for a newspaper, media time or space for public service announcements, or other purposes. Advertising and media are reported as contribution revenue when received and fund raising or public information expense when received and the reporting of such contributions is unaffected by whether the Foundation could afford to purchase or would have purchased the assets at their fair value.

### **(i) Income Taxes**

The Foundation is a not for profit organization exempt from federal income and California taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3) and Sections 12586 and 12587 of the California Government 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, 2014. The Foundation is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2010.

### **(j) 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 and 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. A total of 337 wishes were granted in the fiscal year ended August 31, 2014.

#### **Fund Raising**

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations.

During the fiscal year ended August 31, 2014, the Foundation incurred no significant joint costs for activities that included fund raising appeals.

**MAKE-A-WISH FOUNDATION® OF GREATER LOS ANGELES**

Notes to Financial Statements

August 31, 2014

**(k) Functional Expenses (Continued)**

**Management and General**

All costs not identifiable with a single program or fund raising 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.

**(l) 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 has increased the degree of uncertainty inherent in those estimates and assumptions.

**(3) Fair Value Measurements**

**(a) 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, 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.

**MAKE-A-WISH FOUNDATION® OF GREATER LOS ANGELES**

Notes to Financial Statements

August 31, 2014

**(a) Fair Value of Financial Instruments (Continued)**

**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.

**(b) 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, 2014:

Description	August 31, 2014	Fair value measurements at August 31, 2014 using		
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets:				
Recurring:				
Investments:				
Mutual funds:				
Fixed Income	\$ 279,753	279,753	-	-
Exchange-traded funds:				
Domestic equity	908,698	908,698	-	-
Debt securities:				
Asset backed	83,919	-	83,919	-
Government	195,391	-	195,391	-
Money market funds	683	683	-	-
Total recurring	\$ 1,468,444	1,189,134	279,310	-

For the valuation of debt securities at August 31, 2014, 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 GREATER LOS ANGELES**

Notes to Financial Statements

August 31, 2014

**(b) Fair Value Hierarchy (Continued)**

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

Interest and dividend income	\$	43,121
Realized and unrealized gains, net		175,940
Less investment expenses		<u>(18,970)</u>
Investment income, net	\$	<u><u>200,091</u></u>

**(4) Contributions Receivable**

Contributions receivable include pledges that have been discounted at 1.63% at August 31, 2014. The following is a summary of the Foundation's contributions receivable at August 31, 2014:

Total amounts due in:		
One year	\$	154,383
Two to five years		60,000
More than five years		<u>—</u>
Gross contributions receivable		214,383
Less allowance for doubtful accounts		<u>—</u>
Less discount to present value		<u>(2,936)</u>
Contributions receivable, net	\$	<u><u>211,447</u></u>

**(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 year ended August 31, 2014, the Foundation received \$1,174,728 from these national revenue streams.

Conversely, the chapter pays amounts to the National Organization for annual dues, insurance, and other miscellaneous ancillary expenses that Make-A-Wish Foundation of America pays on behalf of the Foundation. Amounts totaling \$116,910 were paid from the Foundation to Make-A-Wish Foundation of America during the year ended August 31, 2014.

**MAKE-A-WISH FOUNDATION® OF GREATER LOS ANGELES**

Notes to Financial Statements

August 31, 2014

**(5) Transactions with Related Entities (Continued)**

Chapters who assist with the organization and granting of wishes from other chapters are paid a “fee for service” called the wish assist fee. Under this program, the Foundation received \$74,550 for the year ended August 31, 2014, which is recorded in the accompanying statement of activities as other income.

Amounts due from and to related entities are as follows:

Due from National Organization	\$	55,402
Due from other chapters		<u>96,849</u>
Total due from related entities	\$	<u><u>152,251</u></u>
Due to National Organization	\$	4,344
Due to other chapters		<u>32,092</u>
Total due to related entities	\$	<u><u>36,436</u></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 2014 the Foundation received contributions, both cash and in-kind, from board members totaling \$322,724. In 2014, amounts due from board members totaled \$65,000, and are included in contributions receivable in the accompanying statement of financial position. Amounts paid to related parties for goods and services used in the Foundation’s operations totaled \$163,342 in 2014.

**(6) Property and Equipment, Net**

Property and equipment as of August 31, 2014 consist of the following:

Computer equipment and software	\$	123,090
Office furniture		44,958
Other equipment		36,911
Leasehold improvements		<u>15,041</u>
		220,000
Less accumulated depreciation and amortization		<u>(203,936)</u>
Property and equipment, net	\$	<u><u>16,064</u></u>

Depreciation and amortization expense totaled \$10,502 for the year ended August 31, 2014.

**MAKE-A-WISH FOUNDATION® OF GREATER LOS ANGELES**

Notes to Financial Statements

August 31, 2014

**(7) Accrued Pending Wish Costs**

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

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

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, 2014, the Foundation had 137 reportable pending wishes.

**(8) Leases**

The Foundation is obligated under various operating leases for offices and equipment, which expire at various dates through May 18, 2016. Total rent expense for all operating leases for the year ended August 31, 2014 totaled \$196,260.

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

	<b>Operating leases</b>
Year ending August 31:	
2015	\$ 193,351
2016	12,649
	<hr/>
Total minimum lease payments	\$ <u>206,000</u>

**MAKE-A-WISH FOUNDATION® OF GREATER LOS ANGELES**

Notes to Financial Statements

August 31, 2014

**(9) Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes for the year ended August 31, 2014:

Time restrictions	\$	92,064
Purpose restrictions		<u>39,682</u>
Total temporarily restricted net assets	\$	<u><u>131,746</u></u>

**(10) 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 6% of the employee's salary. Foundation contributions to the Plan for the year ended August 31, 2014 were \$6,704.

**(11) 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 \$222,865 were received from a single donor for the year ended August 31, 2014, which represents 5.2% of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

**(12) Litigation and Claims**

The Foundation is not involved in litigation and claims at the present time. In the opinion of management, there are no circumstances that will have a material adverse effect on the Foundation's financial position, change in net assets, or liquidity.

**(13) Subsequent Events**

The Foundation has evaluated subsequent events from the statement of financial position date through February 4, 2015, the date at which the financial statements were available to be issued.