

**MAKE-A-WISH FOUNDATION® -
MIDDLE TENNESSEE, INC.**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2015 AND 2014



CliftonLarsonAllen

MAKE-A-WISH FOUNDATION®-MIDDLE TENNESSEE, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation®-Middle Tennessee, Inc.
Brentwood, Tennessee

We have audited the accompanying financial statements of Make-A-Wish Foundation®-Middle Tennessee, Inc., which comprise the statements of financial position as of August 31, 2015 and 2014, and the related statements of activities, cash flows, and functional expenses, for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Board of Directors
Make-A-Wish Foundation®-Middle Tennessee, 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®-Middle Tennessee, Inc. as of August 31, 2015 and 2014, and change in its net assets (deficit) 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

Oak Brook, Illinois
March 7, 2016

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

	2015	2014
ASSETS		
Cash and Cash Equivalents	\$ 413,487	\$ 537,562
Due from Related Entities	85,467	79,773
Prepaid Expenses	770	1,320
Contributions Receivable, Net	128,187	130,744
Other Assets	14,750	15,138
Property and Equipment, Net	36,887	14,010
Total Assets	<u>\$ 679,548</u>	<u>\$ 778,547</u>
LIABILITIES AND NET ASSETS (DEFICIT)		
Accounts Payable and Accrued Expenses	\$ 142,041	\$ 161,663
Accrued Pending Wish Costs	758,232	411,770
Deferred Rent	2,295	4,810
Total Liabilities	<u>902,568</u>	<u>578,243</u>
NET ASSETS (DEFICIT)		
Unrestricted	(322,852)	89,347
Temporarily Restricted	99,832	110,957
Total Net Assets (Deficit)	<u>(223,020)</u>	<u>200,304</u>
Total Liabilities and Net Assets (Deficit)	<u>\$ 679,548</u>	<u>\$ 778,547</u>

See accompanying Notes to Financial Statements.

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

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
REVENUES, GAINS AND OTHER SUPPORT			
Public Support:			
Contributions, Net of Write-Offs	\$ 1,735,752	\$ 92,662	\$ 1,828,414
Grants	<u>181,615</u>	<u>-</u>	<u>181,615</u>
Total Public Support	1,917,367	92,662	2,010,029
Internal Special Events	464,413	7,170	471,583
Less: Costs of Direct Benefits to Donors	<u>(147,053)</u>	<u>-</u>	<u>(147,053)</u>
Total Special Events	317,360	7,170	324,530
Investment Income, Net	1,966	-	1,966
Other Income	5,775	-	5,775
Net Assets Released from Restrictions	<u>110,957</u>	<u>(110,957)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	2,353,425	(11,125)	2,342,300
EXPENSES			
Program Services:			
Wish Granting	2,251,359	-	2,251,359
Support Services:			
Fundraising	256,360	-	256,360
Management and General	<u>257,905</u>	<u>-</u>	<u>257,905</u>
Total Support Services	514,265	-	514,265
Total Program and Support Services Expense	<u>2,765,624</u>	<u>-</u>	<u>2,765,624</u>
CHANGE IN NET ASSETS (DEFICIT)	(412,199)	(11,125)	(423,324)
Net Assets - Beginning of Year	<u>89,347</u>	<u>110,957</u>	<u>200,304</u>
NET ASSETS (DEFICIT) - END OF YEAR	<u><u>\$ (322,852)</u></u>	<u><u>\$ 99,832</u></u>	<u><u>\$ (223,020)</u></u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION®-MIDDLE TENNESSEE, INC.
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, Net of Write-Offs	\$ 1,504,733	\$ 110,957	\$ 1,615,690
Grants	<u>294,273</u>	<u>-</u>	<u>294,273</u>
Total Public Support	1,799,006	110,957	1,909,963
Internal Special Events	389,837	-	389,837
Less: Costs of Direct Benefits to Donors	<u>(143,048)</u>	<u>-</u>	<u>(143,048)</u>
Total Special Events	246,789	-	246,789
Investment Income, Net	1,596	-	1,596
Other Income	7,800	-	7,800
Net Assets Released from Restrictions	<u>75,589</u>	<u>(75,589)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	2,130,780	35,368	2,166,148
EXPENSES			
Program Services:			
Wish Granting	1,397,010	-	1,397,010
Support Services:			
Fundraising	144,848	-	144,848
Management and General	<u>269,955</u>	<u>-</u>	<u>269,955</u>
Total Support Services	414,803	-	414,803
Total Program and Support Services Expense	1,811,813	-	1,811,813
CHANGE IN NET ASSETS	318,967	35,368	354,335
Net Assets (Deficit), Beginning of Year	<u>(229,620)</u>	<u>75,589</u>	<u>(154,031)</u>
NET ASSETS, END OF YEAR	<u><u>\$ 89,347</u></u>	<u><u>\$ 110,957</u></u>	<u><u>\$ 200,304</u></u>

See accompanying Notes to Financial Statements.

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

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets (Deficit)	\$ (423,324)	\$ 354,335
Adjustments to reconcile Change in Net Assets (Deficit) to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	8,337	7,504
Changes in Assets and Liabilities:		
Contributions Receivable	2,557	(55,155)
Due from Related Entities	(5,694)	26,916
Prepaid Expenses	550	(1,320)
Other Assets	388	(3,690)
Accounts Payable and Accrued Expenses	(19,622)	98,537
Accrued Pending Wish Costs	346,462	(31,281)
Other Liabilities	-	(1,131)
Deferred Rent	(2,515)	-
Net Cash Provided (Used) by Operating Activities	<u>(92,861)</u>	<u>394,715</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	<u>(31,214)</u>	<u>(9,052)</u>
NET INCREASE (DECREASE IN CASH AND CASH EQUIVALENTS)	(124,075)	385,663
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	<u>537,562</u>	<u>151,899</u>
CASH AND CASH EQUAVALENTS - END OF YEAR	<u><u>\$ 413,487</u></u>	<u><u>\$ 537,562</u></u>

See accompanying Notes to Financial Statements.

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

	Program Services	Support Services			
	Wish Granting	Fundraising	Management and General	Total Support Services	Total
Direct Costs of Wishes	\$ 1,894,207	\$ -	\$ -	\$ -	\$ 1,894,207
Salaries, Taxes, and Benefits	226,324	166,950	196,838	363,788	590,112
Printing, Subscriptions, and Publications	20,501	19,381	1,991	21,372	41,873
Professional Fees	841	280	1,613	1,893	2,734
Rent and Utilities	21,071	12,584	11,011	23,595	44,666
Postage and Delivery	1,561	1,337	840	2,177	3,738
Travel	17,322	11,277	4,427	15,704	33,026
Meetings and Conferences	7,741	12,500	7,056	19,556	27,297
Office Supplies	4,824	2,345	1,467	3,812	8,636
Communications	7,454	4,089	3,552	7,641	15,095
Advertising and Media (Cash)	-	15,449	-	15,449	15,449
Repairs and Maintenance	275	275	-	275	550
Insurance	1,133	634	577	1,211	2,344
Membership Dues	410	330	220	550	960
National Partnership Dues	42,783	5,957	5,416	11,373	54,156
Miscellaneous	4,912	2,972	14,560	17,532	22,444
Depreciation and Amortization	-	-	8,337	8,337	8,337
Total	<u>\$ 2,251,359</u>	<u>\$ 256,360</u>	<u>\$ 257,905</u>	<u>\$ 514,265</u>	<u>\$ 2,765,624</u>

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

	Program Services	Support Services			
	Wish Granting	Fundraising	Management and General	Total Support Services	Total
Direct Costs of Wishes	\$ 1,135,880	\$ -	\$ -	\$ -	\$ 1,135,880
Salaries, Taxes, and Benefits	171,777	87,417	208,382	295,799	467,576
Printing, Subscriptions, and Publications	3,759	5,926	1,140	7,066	10,825
Professional Fees	2,255	1,024	2,233	3,257	5,512
Rent and Utilities	19,653	10,720	14,293	25,013	44,666
Postage and Delivery	986	876	649	1,525	2,511
Travel	7,448	7,491	3,043	10,534	17,982
Meetings and Conferences	5,715	15,996	2,280	18,276	23,991
Office Supplies	2,919	3,615	2,289	5,904	8,823
Communications	5,553	2,650	3,681	6,331	11,884
Repairs and Maintenance	905	363	458	821	1,726
Insurance	730	398	531	929	1,659
Membership Dues	350	267	128	395	745
National Partnership Dues	35,186	4,931	4,967	9,898	45,084
Miscellaneous	3,894	3,174	18,377	21,551	25,445
Depreciation and Amortization	-	-	7,504	7,504	7,504
Total	<u>\$ 1,397,010</u>	<u>\$ 144,848</u>	<u>\$ 269,955</u>	<u>\$ 414,803</u>	<u>\$ 1,811,813</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION®-MIDDLE TENNESSEE, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 1 ORGANIZATION

Make-A-Wish Foundation®-Middle Tennessee (the Foundation) is a Tennessee nonprofit 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 applicable to nonprofit entities.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Included in cash and cash equivalents at August 31, 2015 and 2014 are \$323,961 and \$317,942, 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 (deficit) unless its use is limited by donor-imposed restrictions or law. The Foundation did not hold any investments at August 31, 2015 and 2014.

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®-MIDDLE TENNESSEE, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 three to five 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.

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.

Net Assets (Deficit)

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

- **Permanently restricted net assets** - Net assets subject to donor-imposed restrictions that the principal be maintained in perpetuity. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for unrestricted purposes. The Foundation has 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 (deficit)** - Net assets (deficit) that are not subject to donor-imposed restrictions or law.

Revenue Recognition

Unconditional promises to give are recognized initially at fair value as contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. Amortization of the discounts is recorded as additional contribution revenue. Conditional promises are recorded as revenue once the conditions are substantially met. Contributions, grants, and bequests are recognized as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions.

MAKE-A-WISH FOUNDATION®-MIDDLE TENNESSEE, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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

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

	<u>2015</u>	<u>2014</u>
Contributions:		
Wish Related	\$ 728,192	\$ 597,467
Other	17,002	3,440
Total	<u>\$ 745,194</u>	<u>\$ 600,907</u>
Special Event Revenue		
Internal Special Events	<u>\$ 10,850</u>	<u>\$ 7,514</u>

An internal special event is a fundraising event coordinated and staffed by Foundation personnel rather than a third-party support group or organization. It is designed to attract people for the purpose of raising mission awareness, for increasing funding from existing donors, and the cultivation of future donors. Internal special event in-kind amounts are donated items recorded at fair value that are used in facilitating the event. Examples of such donated items are generally food, beverage, facility costs, and auction items.

Program or supporting services expenses were recorded at fair value totaling \$764,883 and \$526,416 in 2015 and 2014, respectively, with the difference recorded as other assets representing primarily auction items received and not yet used.

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

MAKE-A-WISH FOUNDATION®-MIDDLE TENNESSEE, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and Tennessee income taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3). However, the Foundation remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole. Management believes that no uncertain tax positions exist for the Foundation at August 31, 2015 and 2014.

Functional Expenses

The Foundation performs three functions: wish granting, fundraising, and management and general. Definitions of these functions are as follows:

Wish Granting

Activities performed by the Foundation that grant wishes to children with life-threatening medical conditions.

Fundraising

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

Management and General

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

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.

MAKE-A-WISH FOUNDATION®-MIDDLE TENNESSEE, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 3 CONTRIBUTIONS RECEIVABLE

All contributions receivable are due within the next 12 months. Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at August 31, 2015 and 2014.

NOTE 4 TRANSACTIONS WITH RELATED ENTITIES

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel and training scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the years ended August 31, 2015 and 2014, respectively, the Foundation received \$435,641 and \$443,009, respectively, from these national revenue streams.

Conversely, the chapter pays amounts to the National Organization for annual dues, insurance, and other miscellaneous ancillary expenses that Make-A-Wish® Foundation of America pays on behalf of the Foundation. Amounts totaling \$77,595 and \$64,975 were paid from the Foundation to the National Organization during the years ended August 31, 2015 and 2014, respectively.

Amounts due from and to related entities are as follows:

	2015	2014
Balance at August 31:		
Due from National Organization	\$ 82,357	\$ 64,851
Due from Other Chapters	3,110	14,922
Total Due from Related Entities	<u>\$ 85,467</u>	<u>\$ 79,773</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.

During 2015 and 2014 the Foundation received contributions, both cash and in-kind, from board members totaling \$263,116 and \$287,217, 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 \$5,775 and \$7,800 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®-MIDDLE TENNESSEE, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 5 PROPERTY AND EQUIPMENT, NET

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

	2015	2014
Computer Equipment and Software	\$ 41,407	\$ 36,057
Office Furniture	30,244	5,079
Other Equipment	8,660	7,960
	<u>80,311</u>	<u>49,096</u>
Less: Accumulated Depreciation and Amortization	(43,424)	(35,086)
Property and Equipment, Net	<u>\$ 36,887</u>	<u>\$ 14,010</u>

Depreciation and amortization expense totaled \$8,337 and \$7,504 for the years ended August 31, 2015 and 2014, respectively.

NOTE 6 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 76 and 55 reportable pending wishes, respectively.

MAKE-A-WISH FOUNDATION®-MIDDLE TENNESSEE, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 7 LEASES

The Foundation is obligated under an operating lease for office space, which expires in 2016. Total rent expense for all operating leases for the years ended August 31, 2015 and 2014 totaled \$44,666. Future minimum lease payments under this agreement are \$32,072 during the year ending August 31, 2016.

NOTE 8 TEMPORARILY RESTRICTED NET ASSETS

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

	2015	2014
Purpose Restrictions	\$ 99,832	\$ 110,957

NOTE 9 RETIREMENT PLAN

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of 90 days 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 \$10,485 and \$9,065, respectively.

NOTE 10 CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash, cash equivalents, and investments. The Foundation places its cash and investments with high credit quality financial institutions and generally limits the amount of credit exposure not to exceed the Federal Deposit Insurance Corporation (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 \$370,459 and \$301,139 were received from a single donor for the years ended August 31, 2015 and 2014, respectively, which represents 18% and 16%, respectively, of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 11 LITIGATION AND CLAIMS

The Foundation is not currently involved in any claims or legal action arising in the ordinary course of business.

MAKE-A-WISH FOUNDATION®-MIDDLE TENNESSEE, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 12 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through March 7, 2016, the date at which the financial statements were available to be issued.