

**MAKE-A-WISH FOUNDATION® OF
NEW JERSEY, INC.**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2017 AND 2016

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of New Jersey, Inc.
Monroe Township, New Jersey

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

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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 audit to obtain reasonable assurance about whether the financial statements are free of 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 controls 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 controls. 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 New Jersey, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Make-A-Wish Foundation® of New Jersey, Inc. as of August 31, 2017 and 2016, 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

Plymouth Meeting, Pennsylvania
December 6, 2017

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

	2017	2016
ASSETS		
Cash and Cash Equivalents	\$ 2,074,733	\$ 1,550,460
Investments	6,606,004	6,226,761
Due from Related Entities	220,444	171,519
Prepaid Expenses	22,483	10,424
Contributions Receivable, Net	2,385,045	2,129,506
Other Assets	25,157	16,037
Split-Interest Agreements	310,140	219,067
Investments Held for Long-Term Purposes	1,389,924	1,017,207
Property and Equipment, Net	7,626,277	7,900,830
Total Assets	\$ 20,660,207	\$ 19,241,811
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 189,964	\$ 99,630
Accrued Pending Wish Costs - Cash	1,486,255	2,364,147
Accrued Pending Wish Costs - In-Kind	1,310,117	1,676,745
Due to Related Entities	433,093	141,373
Total Liabilities	3,419,429	4,281,895
NET ASSETS		
Unrestricted	13,357,576	12,226,560
Temporarily Restricted	1,999,725	1,008,601
Permanently Restricted	1,883,477	1,724,755
Total Net Assets	17,240,778	14,959,916
Total Liabilities and Net Assets	\$ 20,660,207	\$ 19,241,811

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2017
(With Summary Totals For Year Ended August, 31, 2016)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	2016 Total
REVENUES, GAINS, AND OTHER					
SUPPORT					
Public Support:					
Contributions	\$ 7,547,876	\$ 1,421,786	\$ 158,722	\$ 9,128,384	\$ 7,524,762
Grants	151,052	20,313	-	171,365	211,411
Total Public Support	<u>7,698,928</u>	<u>1,442,099</u>	<u>158,722</u>	<u>9,299,749</u>	<u>7,736,173</u>
Internal Special Events	858,540	-	-	858,540	1,445,793
Less Costs of Direct Benefits to Donors	<u>(497,339)</u>	<u>-</u>	<u>-</u>	<u>(497,339)</u>	<u>(382,400)</u>
Total Special Events	<u>361,201</u>	<u>-</u>	<u>-</u>	<u>361,201</u>	<u>1,063,393</u>
Investment Income, Net	471,339	83,835	-	555,174	332,390
Other Income	6,420	-	-	6,420	8,785
Change in Value of Split-Interest Agreements	-	31,636	-	31,636	12,398
Net Assets Released from Restrictions	<u>566,446</u>	<u>(566,446)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>9,104,334</u>	<u>991,124</u>	<u>158,722</u>	<u>10,254,180</u>	<u>9,153,139</u>
EXPENSES					
Program Services:					
Wish Granting	5,809,701	-	-	5,809,701	7,339,204
Total Program Services	<u>5,809,701</u>	<u>-</u>	<u>-</u>	<u>5,809,701</u>	<u>7,339,204</u>
Support Services:					
Fundraising	1,504,509	-	-	1,504,509	1,233,249
Management and General	659,108	-	-	659,108	567,824
Total Support Services	<u>2,163,617</u>	<u>-</u>	<u>-</u>	<u>2,163,617</u>	<u>1,801,073</u>
Total Expenses	<u>7,973,318</u>	<u>-</u>	<u>-</u>	<u>7,973,318</u>	<u>9,140,277</u>
Change in Net Assets	1,131,016	991,124	158,722	2,280,862	12,862
NET ASSETS, BEGINNING OF YEAR	<u>12,226,560</u>	<u>1,008,601</u>	<u>1,724,755</u>	<u>14,959,916</u>	<u>14,947,054</u>
NET ASSETS, END OF YEAR	<u>\$ 13,357,576</u>	<u>\$ 1,999,725</u>	<u>\$ 1,883,477</u>	<u>\$ 17,240,778</u>	<u>\$ 14,959,916</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2016

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT				
Public Support:				
Contributions	\$ 6,018,789	\$ 529,218	\$ 976,755	\$ 7,524,762
Grants	162,647	48,764	-	211,411
Total Public Support	<u>6,181,436</u>	<u>577,982</u>	<u>976,755</u>	<u>7,736,173</u>
Internal Special Events	1,445,793	-	-	1,445,793
Less Costs of Direct Benefits to Donors	(382,400)	-	-	(382,400)
Total Special Events	<u>1,063,393</u>	<u>-</u>	<u>-</u>	<u>1,063,393</u>
Investment Income, Net	281,515	50,875	-	332,390
Other Income	8,785	-	-	8,785
Change in Value of Split-Interest Agreements	-	12,398	-	12,398
Net Assets Released from Restrictions	388,231	(388,231)	-	-
Total Revenues, Gains, and Other Support	<u>7,923,360</u>	<u>253,024</u>	<u>976,755</u>	<u>9,153,139</u>
EXPENSES				
Program Services:				
Wish Granting	7,339,204	-	-	7,339,204
Total Program Services	<u>7,339,204</u>	<u>-</u>	<u>-</u>	<u>7,339,204</u>
Support Services:				
Fundraising	1,233,249	-	-	1,233,249
Management and General	567,824	-	-	567,824
Total Support Services	<u>1,801,073</u>	<u>-</u>	<u>-</u>	<u>1,801,073</u>
Total Expenses	<u>9,140,277</u>	<u>-</u>	<u>-</u>	<u>9,140,277</u>
Change in Net Assets	(1,216,917)	253,024	976,755	12,862
NET ASSETS, BEGINNING OF YEAR	<u>13,443,477</u>	<u>755,577</u>	<u>748,000</u>	<u>14,947,054</u>
NET ASSETS, END OF YEAR	<u>\$ 12,226,560</u>	<u>\$ 1,008,601</u>	<u>\$ 1,724,755</u>	<u>\$ 14,959,916</u>

See accompanying Notes to Financial Statements.

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

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,280,862	\$ 12,862
Adjustments to reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	293,743	294,729
Net Realized and Unrealized Gains on Investments	(435,712)	(203,246)
Contributed Property and Equipment, Inventory, and Split-Interest Agreements	(83,935)	(75,452)
Change in Attrition on Accrued Pending Wish Costs	42,268	12,925
Change in Value of Split-Interest Agreements	(31,636)	(12,398)
Change in Discount to Present Value of Contributions Receivable and Allowance for Doubtful Accounts	64,669	(3,540)
Changes in Assets and Liabilities:		
Contributions Receivable	(320,208)	(784,441)
Due from Related Entities	(48,925)	(8,222)
Prepaid Expenses	(12,059)	7,207
Other Assets	10,712	19,987
Accounts Payable and Accrued Expenses	90,334	59,909
Accrued Pending Wish Costs	(1,286,788)	729,618
Due to Related Entities	291,720	101,720
Net Cash Provided by Operating Activities	855,045	151,658
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(2,393,431)	(3,293,089)
Proceeds from Sales of Investments	2,077,183	3,168,242
Purchases of Property and Equipment	(14,524)	(51,591)
Net Cash Used in Investing Activities	(330,772)	(176,438)
Net Increase (Decrease) in Cash and Cash Equivalents	524,273	(24,780)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	1,550,460	1,575,240
CASH AND CASH EQUIVALENTS, END OF YEAR	\$ 2,074,733	\$ 1,550,460
SUPPLEMENTAL CASH FLOW INFORMATION		
Contributed Property and Equipment, Inventory, Investments, and Split-Interest Agreements	\$ 86,412	\$ 85,383
Contributed Services	22,418	35,350
In-Kind Contributions	2,085,967	1,928,586

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2017

	Program Services	Support Services		Total
	Wish Granting	Fundraising	Management and General	
Direct Costs of Wishes (See Note 8)	\$ 3,621,477	\$ -	\$ -	\$ 3,621,477
Salaries, Taxes, and Benefits	1,007,207	892,162	502,022	2,401,391
Printing, Subscriptions, and Publications	16,918	60,696	3,936	81,550
Professional Fees	52,760	46,744	38,624	138,128
Occupancy	129,423	48,928	13,978	192,329
Postage and Delivery	14,737	8,256	2,352	25,345
Travel	7,612	27,682	3,168	38,462
Meetings and Conferences	72,198	112,271	5,038	189,507
Office Supplies	21,509	20,914	11,746	54,169
Communications	16,174	14,317	8,119	38,610
Advertising and Media (Cash)	-	36,636	-	36,636
Repairs and Maintenance	2,828	1,062	304	4,194
Information Technology	37,489	29,518	16,316	83,323
Bad Debt Expense	47,872	37,600	4,928	90,400
Membership Dues	266	4,295	1,562	6,123
Grants and Scholarships	400,000	-	-	400,000
Volunteer Training	4,461	-	-	4,461
National Partnership Dues	141,418	17,901	19,691	179,010
Miscellaneous	17,296	71,135	6,029	94,460
Depreciation	198,056	74,392	21,295	293,743
Special Event Expenses	-	497,339	-	497,339
Investment Fees	-	-	71,187	71,187
	<u>5,809,701</u>	<u>2,001,848</u>	<u>730,295</u>	<u>8,541,844</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:				
Special Event Expenses	-	(497,339)	-	(497,339)
Investment Fees	-	-	(71,187)	(71,187)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 5,809,701</u>	<u>\$ 1,504,509</u>	<u>\$ 659,108</u>	<u>\$ 7,973,318</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2016**

	Program Services		Support Services		Total
	Wish Granting	Fundraising	Management and General		
Direct Costs of Wishes	\$ 5,534,444	\$ -	\$ -	\$ -	\$ 5,534,444
Salaries, Taxes, and Benefits	802,968	751,591	416,431	-	1,970,990
Printing, Subscriptions, and Publications	9,513	38,397	3,462	-	51,372
Professional Fees	6,050	53,097	22,296	-	81,443
Occupancy	131,316	36,852	13,043	-	181,211
Postage and Delivery	16,622	16,848	3,451	-	36,921
Travel	15,422	21,454	6,237	-	43,113
Meetings and Conferences	93,641	48,331	3,199	-	145,171
Office Supplies	27,622	26,288	14,915	-	68,825
Communications	15,197	14,069	7,971	-	37,237
Advertising and Media (Cash)	-	11,410	-	-	11,410
Repairs and Maintenance	2,602	732	259	-	3,593
Information Technology	18,478	17,106	9,705	-	45,289
Membership Dues	99	490	1,515	-	2,104
Grants and Scholarships	100,000	-	-	-	100,000
Volunteer Training	1,143	-	-	-	1,143
National Partnership Dues	328,199	49,853	37,390	-	415,442
Miscellaneous	22,445	86,695	6,700	-	115,840
Depreciation	213,443	60,036	21,250	-	294,729
Special Event Expenses	-	382,400	-	-	382,400
Investment Fees	-	-	66,521	-	66,521
	<u>7,339,204</u>	<u>1,615,649</u>	<u>634,345</u>	<u>-</u>	<u>9,589,198</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:					
Special Event Expenses	-	(382,400)	-	-	(382,400)
Investment Fees	-	-	(66,521)	-	(66,521)
	<u>-</u>	<u>-</u>	<u>(66,521)</u>	<u>-</u>	<u>(66,521)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 7,339,204</u>	<u>\$ 1,233,249</u>	<u>\$ 567,824</u>	<u>\$ -</u>	<u>\$ 9,140,277</u>

See accompanying Notes to Financial Statements.

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

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of New Jersey, Inc. is a New Jersey 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. To be a Make-A-Wish chapter, 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 accounting principles generally accepted in the United States of America (GAAP) 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, 2017 and 2016 is \$2,044,047 and \$1,545,793, respectively, of money market bank funds.

Investments

Investments are recorded at fair value. Investment income, including gains and losses on investments, is recorded as increases or decreases in unrestricted net assets unless its use is limited by donor-imposed restrictions or law.

Contributions Receivable

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment, Net

Property and equipment having a unit cost of greater than \$1,000 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Property and equipment under capital leases are stated at the present value of future minimum lease payments at the time of acquisition. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 40 years. Land improvements are depreciated over the estimated useful life of the asset. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

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

Fair Value Measurements

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

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

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets (or liabilities) that the reporting entity has the ability to access at the measurement date.
- Level 2 Inputs: Prices for a similar asset (or liability), other than quoted 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).

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

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.

Net Assets

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

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

Revenue Recognition

Unconditional promises to give are recognized initially at fair value as contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. Amortization of the discounts is recorded as additional contributions revenue. Conditional promises are recorded as revenue once the conditions are substantially met. Contributions, grants, and bequests are recognized as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the 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 NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

During the fiscal year ended August 31, 2016, the Foundation received a \$1 million pledge from a donor to strengthen the operating endowment supporting the Foundation's building. This has been included in restricted net assets. As of August 31, 2017, there are two operating endowments supporting the building totalling \$2,286,008.

During the fiscal year ended August 31, 2017, the Foundation received a \$1 million pledge from a donor to help grant more wishes in New Jersey. This has been included in temporarily restricted net assets due to the five-year payment schedule for this pledge.

The Foundation received in-kind contributions of assets, services, and materials that are reported in the statements of activities as follows at:

	August 31, 2017			
	Programs	Fundraising	Management and General	Total
Wish Related	\$ 2,076,949	\$ -	\$ -	\$ 2,076,949
Professional Services	-	9,194	13,224	22,418
	\$ 2,076,949	\$ 9,194	\$ 13,224	2,099,367
Special Events				9,018
Financial Instruments (Asset)				61,914
Inventory (Asset)				19,832
Property and Equipment (Capitalized)				4,666
Total				\$ 2,194,797

	August 31, 2016			
	Programs	Fundraising	Management and General	Total
Wish Related	\$ 1,919,119	\$ -	\$ -	\$ 1,919,119
Professional Services	-	16,954	18,397	35,351
	\$ 1,919,119	\$ 16,954	\$ 18,397	1,954,470
Special Events				9,466
Financial Instruments (Asset)				67,585
Inventory (Asset)				12,938
Property and Equipment (Capitalized)				4,860
Total				\$ 2,049,319

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 NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2017 AND 2016

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and New Jersey 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, 2017 and 2016. The Foundation files income tax returns in the U.S. federal jurisdiction and New Jersey.

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 in granting 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. During the fiscal years ended August 31, 2017 and 2016, the Foundation incurred no significant joint costs for activities that include fundraising appeals.

Management and General

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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, the functional allocation of expenses and whether an allowance for uncollectible contributions receivable is required.

Reclassifications

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

NOTE 3 FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair values of the financial instruments shown in the following tables as of August 31, 2017 and 2016 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

Investments

Overall Investment Objective

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

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

Fair Value Hierarchy

The following table presents the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at August 31, 2017:

	Fair Value Measurements at August 31, 2017 Using			Total
	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 815,316	\$ -	\$ -	\$ 815,316
International Equity	252,911	-	-	252,911
Money Market Funds	195,332	-	-	195,332
Bonds	1,662,469	-	-	1,662,469
Equity Securities:				
U.S. Corporate Equity Securities	2,534,649	-	-	2,534,649
Foreign Equity Securities	912,473	-	-	912,473
Debt Securities:				
U.S. Treasury	-	794,729	-	794,729
U.S. Agency	-	89,747	-	89,747
Corporate	-	738,302	-	738,302
Total Recurring	<u>6,373,150</u>	<u>1,622,778</u>	<u>-</u>	<u>7,995,928</u>
Nonrecurring:				
Split-Interest Agreements	-	-	310,140	310,140
Total Nonrecurring	<u>-</u>	<u>-</u>	<u>310,140</u>	<u>310,140</u>
Total	<u>\$ 6,373,150</u>	<u>\$ 1,622,778</u>	<u>\$ 310,140</u>	<u>\$ 8,306,068</u>

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

Fair Value Hierarchy (Continued)

The following table presents the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at August 31, 2016:

	Fair Value Measurements at August 31, 2016 Using			Total
	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 715,570	\$ -	\$ -	\$ 715,570
International Equity	235,531	-	-	235,531
Money Market Funds	303,038	-	-	303,038
Bonds	1,271,142	-	-	1,271,142
Equity Securities:				
U.S. Corporate Equity Securities	2,181,490	-	-	2,181,490
Foreign Equity Securities	843,211	-	-	843,211
Debt Securities:				
U.S. Treasury	-	876,560	-	876,560
U.S. Agency	-	127,673	-	127,673
Corporate	-	689,753	-	689,753
Total Recurring	<u>5,549,982</u>	<u>1,693,986</u>	<u>-</u>	<u>7,243,968</u>
Nonrecurring:				
Split-Interest Agreements	-	-	219,067	219,067
Total Nonrecurring	<u>-</u>	<u>-</u>	<u>219,067</u>	<u>219,067</u>
Total	<u>\$ 5,549,982</u>	<u>\$ 1,693,986</u>	<u>\$ 219,067</u>	<u>\$ 7,463,035</u>

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

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

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

The following table presents a rollforward of activity for investments measured at fair value using significant unobservable inputs (Level 3) for the years ended August 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Beginning Balance	\$ 219,067	\$ 149,015
Total Gains or Losses (Realized/Unrealized)		
Included in Changes in Net Assets	31,636	12,398
Contributed Split Interest Agreement	59,437	57,654
Ending Balance	<u>\$ 310,140</u>	<u>\$ 219,067</u>
Change in Unrealized Gains or Losses for the Period		
Included in the Change in Net Assets Relating to Split-Interest Agreements Still Held at the End of the Reporting Period	<u>\$ 31,636</u>	<u>\$ 12,398</u>

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

	<u>2017</u>	<u>2016</u>
Interest and Dividend Income	\$ 190,649	\$ 195,665
Realized and Unrealized Gains, Net	435,712	203,246
Less Investment Expenses	(71,187)	(66,521)
Investment Income, Net	<u>\$ 555,174</u>	<u>\$ 332,390</u>

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at rates ranging from 1.14% to 1.83% at August 31, 2017 and 2016. The following is a summary of the Foundation's contributions receivable at August 31:

	<u>2017</u>	<u>2016</u>
Total Amounts Due in:		
One Year	\$ 1,321,121	\$ 1,285,915
Two to Five Years	1,269,859	984,859
Gross Contributions Receivable	2,590,980	2,270,774
Less Allowance for Doubtful Accounts	(176,297)	(111,807)
Less Discount to Present Value	(29,638)	(29,461)
Contributions Receivable, Net	<u>\$ 2,385,045</u>	<u>\$ 2,129,506</u>

For contributions receivable at August 31, 2017 and 2016, there were three donors who have contributions outstanding of approximately \$1,749,859 and \$1,395,292, respectively. Combined, these represent approximately 68% and 61% of gross receivables at August 31, 2017 and 2016, respectively.

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

NOTE 5 SPLIT-INTEREST AGREEMENTS

Charitable Gift Annuities

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 the beneficiary of four 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 the notice that the agreements convey unconditional rights to receive benefits. Subsequent changes in value of the underlying assets are recorded in the accompanying statements of activities as the change in value of split-interest agreements.

The Foundation's beneficial interest under split-interest agreements totaled \$310,140 and \$219,067 at August 31, 2017 and 2016, respectively. The Foundation was the recipient of additional gifts as of August 31, 2017 valued at \$59,437 and as of August 31, 2016 valued at \$57,654.

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, 2017 and 2016, the Foundation received \$2,016,504 and \$2,178,591, 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 contributed \$400,000 and \$100,000 during the years August 31, 2017 and 2016, respectively.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that Make-A-Wish Foundation of America pays on behalf of the Foundation and for services provided by the National Organization. Amounts totaling \$225,438 and \$454,111 were paid from the Foundation to the National Organization during the years ended August 31, 2017 and 2016, 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 \$6,225 and \$7,600 for the years ended August 31, 2017 and 2016, respectively, which is recorded in the accompanying statements of activities as other income.

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

NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

Amounts due from and to related entities are as follows:

	<u>2017</u>	<u>2016</u>
Balance at August 31:		
Due from National Organization	\$ 218,730	\$ 164,969
Due from Other Chapters	1,714	6,550
Total Due from Related Entities	<u>\$ 220,444</u>	<u>\$ 171,519</u>
Due to National Organization	\$ 403,465	\$ 100,458
Due to Other Chapters	29,628	40,915
Total Due to Related Entities	<u>\$ 433,093</u>	<u>\$ 141,373</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. Amounts due to the National Organization generally represent unpaid chapter dues, services, and contributions pledged by the Foundation to the Wish Fulfillment Fund.

During 2017 and 2016, the Foundation received contributions, both cash and in-kind, from board members totaling \$236,250 and \$219,527, respectively. In 2017 and 2016, amounts due from board members totaled \$80,000 and \$210,000, respectively, and are included in contributions receivable in the accompanying statements of financial position.

NOTE 7 PROPERTY AND EQUIPMENT, NET

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

	<u>2017</u>	<u>2016</u>
Land	\$ 807,000	\$ 807,000
Land Improvements	1,628,060	1,628,060
Buildings and Building Improvements	6,442,960	6,441,880
Computer Equipment and Software	108,151	117,549
Office Furniture	94,607	89,942
Other Equipment	188,072	188,072
	<u>9,268,850</u>	<u>9,272,503</u>
Less Accumulated Depreciation	<u>(1,642,573)</u>	<u>(1,371,673)</u>
Property and Equipment, Net	<u>\$ 7,626,277</u>	<u>\$ 7,900,830</u>

Depreciation expense totaled \$293,743 and \$294,729 for the years ended August 31, 2017 and 2016, respectively.

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

NOTE 8 ACCRUED PENDING WISH COSTS

The Foundation accrues for estimated costs of reportable pending wishes when five certain, measurable wish criteria are met. Prior to meeting these five criteria, the wish is not considered an obligation due to the inherent uncertainties surrounding these criteria and is therefore not accrued as a pending wish. This accrual does not represent a legally binding liability, but is considered a moral obligation to the child by the Foundation arising when the five criteria are met. Reportable pending wish criteria include:

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

Estimated cash and in-kind costs are accrued as pending wish liability at year-end for all reportable pending wishes. The in-kind portion of the pending wish liability includes the estimated in-kind expenses that are expected to be incurred in fulfilling each wish even though the matching in-kind revenues are not recognized until the in-kind goods or services, or an unconditional promise for those in-kind goods or services, are received. Although not fully guaranteed, if the related expected in-kind revenue were recognized in the same fiscal period as the expected in-kind expense, total net assets at August 31, 2017 would be \$17,989,772.

The Foundation, as part of its estimate of accrued pending wish costs, also considers attrition on pending wish costs. An attrition rate is calculated by the Foundation by analyzing the trend of wishes that have been accrued for using the five criteria discussed above that have not been able to be completed within the past twelve months due to factors outside of the control of the chapter, such as the death of a child, the move of the family out of the chapter's territory, or loss of contact with the family. As of August 31, 2017 and 2016, the Foundation had 419 and 619 reportable pending wishes, respectively.

During the fiscal year ended August 31, 2017, the accrued pending wish liability decreased by \$1,244,520 as compared to August 31, 2016, primarily due to changes in the pending wish pipeline and increases in wishes granted. This change in the accrued pending wish liability is recorded on the accompanying statement of activities in program services (as a reduction in direct cost of wishes) for the year ended August 31, 2017.

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

NOTE 9 ENDOWMENTS

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

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

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the New Jersey 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

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

NOTE 9 ENDOWMENTS (CONTINUED)

Endowment net asset composition by type of fund as of August 31, 2017 and 2016 is as follows:

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-Restricted Endowment Funds	\$ -	\$ 306,923	\$ 1,083,000	\$ 1,389,923
Board-Designated Endowment Funds (See Note 2)	1,943,464	-	-	1,943,464
Total Funds	<u>\$ 1,943,464</u>	<u>\$ 306,923</u>	<u>\$ 1,083,000</u>	<u>\$ 3,333,387</u>

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-Restricted Endowment Funds	\$ -	\$ 269,206	\$ 748,000	\$ 1,017,206
Board-Designated Endowment Funds	1,886,957	-	-	1,886,957
Total Funds	<u>\$ 1,886,957</u>	<u>\$ 269,206</u>	<u>\$ 748,000</u>	<u>\$ 2,904,163</u>

Changes in endowment net assets for the years ended August 31, 2017 and 2016 are as follows:

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment Net Assets, Beginning of Year	\$ 1,886,957	\$ 269,206	\$ 748,000	\$ 2,904,163
Investment Return:				
Investment Income	23,438	24,888	-	48,326
Net Appreciation (Realized and Unrealized)	120,024	58,947	-	178,971
Total Investment Return	143,462	83,835	-	227,297
Contributions (See Note 2)	-	-	335,000	335,000
Other Changes:				
Assets for Expenditure	(86,955)	(46,118)	-	(133,073)
Endowment Net Assets, End of Year	<u>\$ 1,943,464</u>	<u>\$ 306,923</u>	<u>\$ 1,083,000</u>	<u>\$ 3,333,387</u>

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment Net Assets, Beginning of Year	\$ 1,800,000	\$ 218,331	\$ 748,000	\$ 2,766,331
Investment Return:				
Investment Income	20,105	33,894	-	53,999
Net Appreciation (Realized and Unrealized)	66,852	16,981	-	83,833
Total Investment Return	1,886,957	50,875	-	137,832
Endowment Net Assets, End of Year	<u>\$ 1,886,957</u>	<u>\$ 269,206</u>	<u>\$ 748,000</u>	<u>\$ 2,904,163</u>

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

NOTE 9 ENDOWMENTS (CONTINUED)

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

	<u>2017</u>	<u>2016</u>
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>\$ 1,083,000</u>	<u>\$ 748,000</u>
Temporarily Restricted Net Assets:		
The Portion of Perpetual Endowment Funds Subject to a Time Restriction Under UPMIFA:		
Without Purpose Restrictions	\$ -	\$ -
With Purpose Restrictions	<u>306,923</u>	<u>269,206</u>
Total Endowment Funds Classified as Temporarily Restricted Net Assets	<u>\$ 306,923</u>	<u>\$ 269,206</u>

Fund Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. The Foundation had no deficiencies of this nature as of August 31, 2017 and 2016.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment funds while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 6.5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent constraints.

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

NOTE 9 ENDOWMENTS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a spending policy which is included in the investment policy. The policy provides for average annual spending of investments of \$250,000, to ensure sufficient funds are available to support program expenses, with a maximum annual limit of \$500,000.

NOTE 10 TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

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

	<u>2017</u>	<u>2016</u>
Wish Granting	\$ 561,122	\$ 449,733
Appreciation on Endowment not yet Appropriated	306,923	269,206
Other Time Restrictions	1,131,680	289,662
Total Temporarily Restricted Net Assets	<u>\$ 1,999,725</u>	<u>\$ 1,008,601</u>

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

	<u>2017</u>	<u>2016</u>
Investments in Perpetuity, the Income from which is		
Expendable to Support Any Activities of the Foundation	\$ 1,083,000	\$ 748,000
Pledged Endowment, Net of Discount	800,477	976,755
	<u>\$ 1,883,477</u>	<u>\$ 1,724,755</u>

NOTE 11 RETIREMENT PLAN

The Foundation has a 403b defined contribution retirement plan, which upon approval of the board of directors was frozen on December 31, 2015. Employees were eligible for participation as of their dates of employment and elected to defer a percentage of their salary subject to certain IRC limitations. The Foundation did not make any matching contributions to the 403b plan.

In August 2015, the board of directors approved a plan to adopt the Extensis Retirement Savings Plan (the Plan), the 401k defined contribution plan of its professional employer organization, which provides payroll and human resources services. This change occurred on January 1, 2016. Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of six months of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 4% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2017 and 2016 were \$23,226 and \$18,711, respectively.

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

NOTE 12 CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash, cash equivalents, and investments. The Foundation places its cash and investments with high credit quality financial institutions and generally limits the amount of credit exposure not to exceed the FDIC insurance coverage limit of \$250,000. From time to time throughout the year, the Foundation's cash balances may exceed the amount of the FDIC insurance coverage.

In-kind contributions totaling \$1,064,645 and \$1,053,901, were received from a single donor for the years ended August 31, 2017 and 2016, respectively, which represents 11% and 14%, respectively, of total public support. Contributions totaling \$1 million were received from one donor for each of the years ended August 31, 2017 and 2016 which represent approximately 11% and 13% of total public support, respectively. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 13 LITIGATION AND CLAIMS

The Foundation is not involved in litigation and claims arising in the ordinary course of business.

NOTE 14 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through December 6, 2017, the date at which the financial statements were available to be issued.



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