

MAKE-A-WISH FOUNDATION® OF IDAHO

FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

**MAKE-A-WISH FOUNDATION® OF IDAHO
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YEAR ENDED AUGUST 31, 2019**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Idaho
Boise, Idaho

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Idaho which comprise the statement of financial position as of August 31, 2019 and the related statements of activities, functional expenses, and cash flows 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 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 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 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 Idaho

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 Idaho as of August 31, 2019 and 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.

Emphasis of Matters

As discussed in Note 2 to the financial statements, Make-A-Wish Foundation® of Idaho adopted a new accounting principle during the year ended August 31, 2019: Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities* (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Make-A-Wish Foundation® of Idaho also changed an accounting policy with the elimination of the pending wish liability from the Foundation’s statement of financial position. Our opinion is not modified with respect to these matters.



CliftonLarsonAllen LLP

Phoenix, Arizona
February 26, 2020

MAKE-A-WISH FOUNDATION® OF IDAHO
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2019

ASSETS

Cash and Cash Equivalents	\$ 86,261
Investments	1,033,277
Due from Related Entities	35,970
Prepaid Expenses	51,368
Contributions Receivable, Net	93,475
In-Kind Rent Receivable, Net	19,790
Other Assets	20,984
Investments Held for Long-Term Purposes	645,901
Property and Equipment, Net	<u>8,623</u>
 Total Assets	 <u><u>\$ 1,995,649</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Expenses	\$ 114,997
Due to Related Entities	5,859
Deferred Revenue	137,162
Capital Lease Obligations	<u>4,888</u>
Total Liabilities	<u>262,906</u>

NET ASSETS

Without Donor Restrictions	1,083,338
With Donor Restrictions	<u>649,405</u>
Total Net Assets	<u><u>1,732,743</u></u>
 Total Liabilities and Net Assets	 <u><u>\$ 1,995,649</u></u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF IDAHO
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions	\$ 1,252,823	\$ 94,885	\$ 1,347,708
Grants	94,470	-	94,470
Total Public Support	1,347,293	94,885	1,442,178
Internal Special Events	769,248	-	769,248
Less Costs of Direct Benefits to Donors	(54,143)	-	(54,143)
Total Special Events	715,105	-	715,105
Investment Income, Net	14,713	240	14,953
Other Income	688	-	688
Net Assets Released from Restrictions	95,464	(95,464)	-
Total Revenues, Gains, and Other Support	2,173,263	(339)	2,172,924
EXPENSES			
Program Services:			
Wish Granting	1,486,220	-	1,486,220
Total Program Services	1,486,220	-	1,486,220
Support Services:			
Fundraising	392,336	-	392,336
Management and General	160,227	-	160,227
Total Support Services	552,563	-	552,563
Total Expenses	2,038,783	-	2,038,783
CHANGE IN NET ASSETS	134,480	(339)	134,141
Net Assets - Beginning of Year - Before Change in Accounting Policy	227,233	649,744	876,977
Change in Accounting Policy	721,625	-	721,625
Net Assets - Beginning of Year - As Adjusted	948,858	649,744	1,598,602
NET ASSETS - END OF YEAR	\$ 1,083,338	\$ 649,405	\$ 1,732,743

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF IDAHO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2019**

	Program Services	Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services		
Direct Costs of Wishes	\$ 1,177,451	\$ -	\$ -	\$ -	\$ -	\$ 1,177,451
Salaries, Taxes, and Benefits	204,901	209,780	73,181	282,961	-	487,862
Printing, Subscriptions, and Publications	1,520	8,896	388	9,284	-	10,804
Professional Fees	344	357	59,920	60,277	-	60,621
Rent and Utilities	21,568	22,081	7,703	29,784	-	51,352
Postage and Delivery	1,313	1,280	77	1,357	-	2,670
Travel	4,513	14,854	4,338	19,192	-	23,705
Meetings and Conferences	2,013	43,798	1,482	45,280	-	47,293
Office Supplies	7,364	1,200	802	2,002	-	9,366
Communications	5,128	5,250	1,832	7,082	-	12,210
Advertising and Media (In-Kind)	-	44,651	-	44,651	-	44,651
Repairs and Maintenance	584	598	209	807	-	1,391
Bad Debt Expenses	-	250	-	250	-	250
Membership Dues	1,055	2,218	377	2,595	-	3,650
National Partnership Dues	51,117	6,713	6,875	13,588	-	64,705
Miscellaneous	4,928	27,931	2,178	30,109	-	35,037
Depreciation and Amortization	2,421	2,479	865	3,344	-	5,765
Special Event - Direct Donor Benefits	-	-	-	-	54,143	54,143
Total	1,486,220	392,336	160,227	552,563	54,143	2,092,926
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(54,143)	(54,143)
 Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 1,486,220</u>	<u>\$ 392,336</u>	<u>\$ 160,227</u>	<u>\$ 552,563</u>	<u>\$ -</u>	<u>\$ 2,038,783</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF IDAHO
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 134,141
Adjustments to reconcile Change in Net Assets to Net Cash	
Provided by Operating Activities:	
Depreciation and Amortization	5,765
Bad Debt Expense and Other	250
Net Realized and Unrealized Gains on Investments	23,405
Contributed Inventory	(8,214)
(Increase) Decrease in Assets:	
Contributions Receivable	(35,495)
Due from Related Entities	(23,161)
Prepaid Expenses	(42,744)
Other Assets	22,122
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	31,651
Due to Related Entities	1,482
Other Liabilities	47,660
Net Cash Provided by Operating Activities	156,862

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Investments	(551,792)
Proceeds from Sales of Investments	221,056
Purchases of Property and Equipment	(5,444)
Net Cash Used by Investing Activities	(336,180)

CASH FLOWS FROM FINANCING ACTIVITIES

Principal Payments on Capital Lease Obligations	(3,416)
Net Cash Used by Financing Activities	(3,416)

NET DECREASE IN CASH AND CASH EQUIVALENTS

(182,734)

Cash and Cash Equivalents - Beginning of Year

268,995

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 86,261

SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION

Cash Paid for Interest Expense	\$ 2,488
Contributed Inventory	\$ 8,214

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF IDAHO
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Idaho (the Foundation) is an Idaho nonprofit corporation, organized for the purpose of creating life changing wishes for children with critical illnesses. 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 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.

Investments

Investments are recorded at fair value. Investment income, including gains and losses on investments, is recorded as increases or decreases in net assets without donor restrictions 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.

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 over time in an amount equivalent to annual depreciation. 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.

MAKE-A-WISH FOUNDATION® OF IDAHO
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 – 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 – 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 – 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

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

MAKE-A-WISH FOUNDATION® OF IDAHO
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restriction when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as Net Assets Released from Restrictions.

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 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 IDAHO
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The Foundation received in-kind contributions of assets, services, and materials that are reported in the statement of activities as follows as of August 31, 2019:

	Programs	Fundraising	Management and General	Total
Wish Related	\$ 613,245	\$ -	\$ -	\$ 613,245
Rent	20,016	20,492	7,148	47,656
Advertising and Media	-	44,651	-	44,651
Other	1,446	5,554	484	7,484
Total	<u>\$ 634,707</u>	<u>\$ 70,697</u>	<u>\$ 7,632</u>	713,036
Special Events				11,815
Inventory (Asset)				8,214
Total				<u>\$ 733,065</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.

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.

Donated advertising and media are reported as contribution revenue and fundraising 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.

Income Taxes

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

Management believes that no uncertain tax positions exist for the Foundation at August 31, 2019. The Foundation files income tax returns in the U.S. federal jurisdiction and Idaho state jurisdiction.

MAKE-A-WISH FOUNDATION® OF IDAHO
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 critical illnesses.

Fundraising

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations. During the fiscal year ended August 31, 2019, the Foundation incurred no significant joint costs for activities that include fundraising appeals.

Management and General

All costs not identifiable with a specific 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 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.

Change in Accounting Principle – Adoption of ASU 2016-14

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The adoption of this standard did not impact the Foundation's net assets as of September 1, 2018.

MAKE-A-WISH FOUNDATION® OF IDAHO
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Policy – Pending Wish Liability

Through the fiscal year ended August 31, 2018, the Foundation accrued for estimated costs of reportable pending wishes when five certain, measurable wish criteria were met. This accrual did not represent a legally binding liability but was considered a moral obligation to the child by the Foundation arising when the five criteria were met. Given the changes to the wish granting environment that have occurred in recent years, the Foundation determined that the calculation was no longer representative of the future obligations. The Foundation remains committed to its mission. Please see the commitment footnote for details about future wish granting obligations. As a result of this change in accounting policy, net assets without restriction as of September 1, 2018 have increased by \$721,625.

NOTE 3 LIQUIDITY AND AVAILABILITY

The Foundation monitors liquidity regularly through the monthly financial package provided to the board and through the enterprise-wide benchmarks of excellence. Holding 6 months to 24 months of liquidity is considered excellent based off the enterprise-wide published scale.

Total Financial Assets	\$	1,914,674
Donor Imposed Restrictions:		
Restricted Funds		(94,884)
Endowments		<u>(554,521)</u>
Net Financial Assets after Donor-Imposed Restrictions		1,265,269
Internal Designations:		
Board Designated Endowments		<u>(91,380)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$	<u><u>1,173,889</u></u>

Our endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

MAKE-A-WISH FOUNDATION® OF IDAHO
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 4 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, 2019 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

Investments

Overall Investment Objective

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

Fair Value Hierarchy

The following table presents the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at August 31, 2019:

	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Investments:				
Mutual Funds	\$ 695,727	\$ -	\$ -	\$ 695,727
Exchange-Traded Funds	569,505	-	-	569,505
Equity Securities	105,524	-	-	105,524
Certificates of Deposit	-	152,087	-	152,087
Cash and Cash Equivalents	-	-	-	156,335
Total	<u>\$ 1,370,756</u>	<u>\$ 152,087</u>	<u>\$ -</u>	<u>\$ 1,679,178</u>

MAKE-A-WISH FOUNDATION® OF IDAHO
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted using a rate of 2.3% at August 31, 2019. The following is a summary of the Foundation's contributions receivable at August 31, 2019:

Total Amounts Due in:	
Within One Year	\$ 105,986
One to Five Years	<u>7,800</u>
Gross Contributions Receivable	113,786
Less Discount to Present Value	<u>(521)</u>
Contributions Receivable, Net	<u><u>\$ 113,265</u></u>

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 year ended August 31, 2019, the Foundation received \$264,694 from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for annual dues, insurance, and other miscellaneous ancillary expenses that Make-A-Wish Foundation of America pays on behalf of the Foundation and for services provided to the Foundation by the National Organization. Amounts totaling \$111,478 were paid from the Foundation to the National Organization during the year ended August 31, 2019.

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 originating chapter agrees to pay a fee to the chapter of the wish destination to assist with any planning, booking, and facilitating of the wish for the home chapter. Under this program, the Foundation received \$300 for the year ended August 31, 2019 which is recorded in the accompanying statement of activities as other income.

Amounts due from and to related entities are as follows as of August 31, 2019:

Balance - August 31:	
Due from National Organization	<u>\$ 35,970</u>
Total Due from Related Entities	<u><u>\$ 35,970</u></u>
Due to National Organization	\$ 184
Due to Other Chapters	<u>5,675</u>
Total Due to Related Entities	<u><u>\$ 5,859</u></u>

MAKE-A-WISH FOUNDATION® OF IDAHO
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

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 and services.

During 2019, the Foundation received contributions, both cash and in-kind, from board members totaling \$106,509.

NOTE 7 PROPERTY AND EQUIPMENT, NET

Property and equipment as of August 31, 2019 consist of the following:

Computer Equipment and Software	\$ 43,188
Office Furniture	8,202
Other Equipment	13,758
Leasehold Improvements	42,317
Total	107,465
Less Accumulated Depreciation and Amortization	(98,842)
Property and Equipment, Net	\$ 8,623

Depreciation and amortization expense totaled \$5,765 for the year ended August 31, 2019.

NOTE 8 LEASES

The Foundation is obligated under one capital lease for equipment, which expires in August 2020. As of August 31, 2019, the cost of leased property and equipment under capital leases was \$13,758 and accumulated depreciation was \$11,137. Total in-kind rent expense for the operating lease for the year ended August 31, 2019 totaled \$47,495.

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

<u>Year Ending August 31:</u>	Capital Leases
2020	\$ 5,904
Total Minimum Lease Payments	5,904
Less Amounts Representing Interest	(1,016)
Present Value of Net Minimum Lease Payments	\$ 4,888

MAKE-A-WISH FOUNDATION® OF IDAHO
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 9 NET ASSETS

Net Assets Without Donor Restrictions

Board-designated net assets consist of the following at August 31, 2019:

Board Designated Endowment Funds	\$ 91,380
Total Board Designated Net Assets	<u>\$ 91,380</u>

Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods as of August 31, 2019:

Subject to Expenditure for Specified Purpose:	
Wish Granting	\$ 75,094
Donated Rent	19,790
Total	<u>94,884</u>

Endowments:

Subject to Endowment Spending Policy and Appropriation:	
Earnings on Endowment Funds	186,714
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:	
Commonwealth Endowment	<u>367,807</u>
Total	<u>554,521</u>

Total Donor Restricted Net Assets	<u>\$ 649,405</u>
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NOTE 10 ENDOWMENTS

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

The Foundation's endowment consists of 12 individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets, both donor-restricted and board-designated, are reflected as investments held for long-term purposes on the statement of financial position.

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NOTE 10 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the Idaho 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 donor restricted net assets: (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulated earnings on the donor-restricted endowment funds. The accumulated earnings on the endowment funds remain treated as donor restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

Endowment fund composition by type of fund as of August 31, 2019 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 554,521	\$ 554,521
Board-Designated Endowment Funds	91,380	-	91,380
Total Funds	<u>\$ 91,380</u>	<u>\$ 554,521</u>	<u>\$ 645,901</u>

Changes in endowment funds for the year ended August 31, 2019 are as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds - Beginning of Year	\$ 91,070	\$ 570,205	\$ 661,275
Investment Return:			
Investment Return, Net	310	240	550
Assets for Expenditure	-	(15,924)	(15,924)
Endowment Funds - End of Year	<u>\$ 91,380</u>	<u>\$ 554,521</u>	<u>\$ 645,901</u>

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NOTE 10 ENDOWMENTS (CONTINUED)

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. There were no fund deficiencies for year ended August 31, 2019.

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 4% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 3% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 4% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 11 RETIREMENT PLAN

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain Internal Revenue Code limitations. The Foundation's match equals 100% of the first 3% of the employee's eligible earnings that the employee defers and an additional 50% of the next 2% of the employee's earnings that the employee defers. Foundation contributions to the Plan for the year ended August 31, 2019 were \$13,205.

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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 \$208,197 were received from a single donor for the year ended August 31, 2019, which represents 14% of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 13 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the fiscal year ended August 31, 2019, the Foundation granted 91 wishes. As of the end of the year, there were approximately 160 wish children who are eligible for a wish. The average cost of a wish for the fiscal year was \$6,569 in cash and \$6,731 in in-kind for a total cost of \$13,300.

NOTE 14 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through February 26, 2020 , the date at which the financial statements were available to be issued.