

**MAKE-A-WISH FOUNDATION® OF IDAHO**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2020 AND 2019**

**MAKE-A-WISH FOUNDATION® OF IDAHO**  
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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 statements of financial position as of August 31, 2020 and 2019 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 audits 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, 2020 and 2019 and the 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.

A handwritten signature in black ink that reads "CliftonLarsonAllen LLP". The signature is written in a cursive, flowing style.

**CliftonLarsonAllen LLP**

Phoenix, Arizona  
January 19, 2021

**MAKE-A-WISH FOUNDATION® OF IDAHO**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 639,734	\$ 86,261
Investments	1,089,017	1,033,277
Due from Related Entities	28,637	35,970
Prepaid Expenses	45,982	51,368
Contributions Receivable, Net	103,790	113,265
Other Assets	11,854	20,984
Investments Held for Long-Term Purposes	715,524	645,901
Property and Equipment, Net	<u>18,311</u>	<u>8,623</u>
Total Assets	<u><u>\$ 2,652,849</u></u>	<u><u>\$ 1,995,649</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 86,337	\$ 114,997
Due to Related Entities	40,771	5,859
Deferred Revenue	9,902	137,162
Capital Lease Obligations	12,284	4,888
Payroll Protection Program	<u>88,400</u>	<u>-</u>
Total Liabilities	237,694	262,906
<b>NET ASSETS</b>		
Without Donor Restrictions	1,785,190	1,083,338
With Donor Restrictions	<u>629,965</u>	<u>649,405</u>
Total Net Assets	<u><u>2,415,155</u></u>	<u><u>1,732,743</u></u>
Total Liabilities and Net Assets	<u><u>\$ 2,652,849</u></u>	<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, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions	\$ 1,455,497	\$ 19,790	\$ 1,475,287
Grants	98,213	-	98,213
Total Public Support	1,553,710	19,790	1,573,500
Internal Special Events	677,079	-	677,079
Less: Costs of Direct Benefits to Donors	(66,161)	-	(66,161)
Total Special Events	610,918	-	610,918
Investment Income, Net	120,254	73,107	193,361
Other Income	(7,700)	-	(7,700)
Net Assets Released from Restrictions	112,337	(112,337)	-
Total Revenues, Gains, and Other Support	2,389,519	(19,440)	2,370,079
<b>EXPENSES</b>			
Program Services:			
Wish Granting	1,135,888	-	1,135,888
Total Program Services	1,135,888	-	1,135,888
Support Services:			
Fundraising	386,695	-	386,695
Management and General	165,084	-	165,084
Total Support Services	551,779	-	551,779
Total Expenses	1,687,667	-	1,687,667
<b>CHANGE IN NET ASSETS</b>	701,852	(19,440)	682,412
Net Assets - Beginning of Year	1,083,338	649,405	1,732,743
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,785,190</u>	<u>\$ 629,965</u>	<u>\$ 2,415,155</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
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
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
<b>EXPENSES</b>			
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
<b>CHANGE IN NET ASSETS</b>	134,480	(339)	134,141
Net Assets - Beginning of Year	948,858	649,744	1,598,602
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,083,338</u>	<u>\$ 649,405</u>	<u>\$ 1,732,743</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF IDAHO**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2020**

	Program Services	Support Services				
	Wish Granting	Fundraising	Management and General	Total Support Services	Direct Donor Benefits	Total
Direct Costs of Wishes	\$ 763,311	\$ -	\$ -	\$ -	\$ -	\$ 763,311
Salaries, Taxes, and Benefits	228,135	229,170	81,624	310,794	-	538,929
Printing, Subscriptions, and Publications	1,310	42,491	521	43,012	-	44,322
Professional Fees	338	310	40,647	40,957	-	41,295
Rent and Utilities	21,792	22,038	7,868	29,906	-	51,698
Postage and Delivery	1,214	2,800	107	2,907	-	4,121
Travel	2,708	6,343	5,492	11,835	-	14,543
Meetings and Conferences	1,084	22,986	2,399	25,385	-	26,469
Office Supplies	2,551	1,657	820	2,477	-	5,028
Communications	5,444	5,487	1,971	7,458	-	12,902
Advertising and Media (Cash)	-	235	31	266	-	266
Repairs and Maintenance	605	610	220	830	-	1,435
Bad Debt Expenses	-	13,900	-	13,900	-	13,900
Membership Dues	977	1,348	354	1,702	-	2,679
National Partnership Dues	97,344	12,550	13,326	25,876	-	123,220
Miscellaneous	6,745	22,419	8,860	31,279	-	38,024
Depreciation and Amortization	2,330	2,351	844	3,195	-	5,525
Special Event - Direct Donor Benefits	-	-	-	-	66,161	66,161
Total	1,135,888	386,695	165,084	551,779	66,161	1,753,828
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(66,161)	(66,161)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 1,135,888</u>	<u>\$ 386,695</u>	<u>\$ 165,084</u>	<u>\$ 551,779</u>	<u>\$ -</u>	<u>\$ 1,687,667</u>

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				
	Wish Granting	Fundraising	Management and General	Total Support Services	Direct Donor Benefits	Total
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**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 682,412	\$ 134,141
Adjustments to reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	5,525	5,765
Bad Debt Expense and Other	13,900	250
Net Realized and Unrealized Gains on Investments	(156,186)	23,405
Contributed Inventory	1,812	(8,214)
Change in In-Kind Rent Receivable	-	-
(Increase) Decrease in Assets:		
Contributions Receivable	(4,425)	(35,495)
Due from Related Entities	7,333	(23,161)
Prepaid Expenses	5,386	(42,744)
Other Assets	7,318	22,122
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(28,660)	31,651
Due to Related Entities	34,912	1,482
Other Liabilities	(127,260)	47,660
Net Cash Provided by Operating Activities	<u>442,067</u>	<u>156,862</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(332,936)	(551,792)
Proceeds from Sales of Investments	363,759	221,056
Purchases of Property and Equipment	<u>(2,752)</u>	<u>(5,444)</u>
Net Cash Provided (Used) by Investing Activities	28,071	(336,180)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Capital Lease Obligations	(5,065)	(3,416)
Proceeds from Payroll Protection Program	<u>88,400</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>83,335</u>	<u>(3,416)</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	553,473	(182,734)
Cash and Cash Equivalents - Beginning of Year	<u>86,261</u>	<u>268,995</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 639,734</u></u>	<u><u>\$ 86,261</u></u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest Expense	<u>\$ 1,083</u>	<u>\$ 2,488</u>
Contributed Inventory	<u>\$ (1,812)</u>	<u>\$ 8,214</u>
Acquisition of Equipment Through a Capital Lease	<u><u>\$ 12,461</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 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 develops and implements 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 (U.S. 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.

The Foundation's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that those changes in the values of investments will occur in the near term and that such changes could be material to the amounts reported in the statements of financial position.

**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 IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 2019**

**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 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.

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.

**MAKE-A-WISH FOUNDATION® OF IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 2019**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

*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. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements 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 to give are not recognized as contribution revenue and receivables until the conditions have been 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, 2020 AND 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 statements of activities as follows:

<u>August 31, 2020</u>	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Wish Related	\$ 326,579	\$ -	\$ -	\$ 326,579
Professional Services	-	-	20	20
Rent	20,161	20,391	7,279	47,831
Advertising and Media	-	-	-	-
Other	902	38,751	12	39,665
Total	<u>\$ 347,642</u>	<u>\$ 59,142</u>	<u>\$ 7,311</u>	<u>414,095</u>
Special Events				3,123
Inventory (Asset)				(1,812)
Total				<u>\$ 415,406</u>

  

<u>August 31, 2019</u>				
Wish Related	\$ 613,245	\$ -	\$ -	\$ 613,245
Professional Services	-	-	-	-
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>	<u>713,036</u>
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 is 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.

**MAKE-A-WISH FOUNDATION® OF IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 2019**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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, 2020 and 2019. The Foundation files income tax returns in the U.S. federal jurisdiction and Idaho state jurisdiction.

**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.

**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 U.S. GAAP 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.

**MAKE-A-WISH FOUNDATION® OF IDAHO**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 2019**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Change in Accounting Principle**

In June 2018, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities* (Topic 958) – *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments in the update assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

The Foundation's financial statements reflect adoption of ASU 2018-08 guidance beginning in fiscal year 2020. The adoption of ASU 2018-08 did not impact the Foundation's reported revenue.

**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 to 24 months of liquidity is considered excellent based off the enterprise-wide published scale.

	<u>2020</u>	<u>2019</u>
Total Financial Assets	\$ 2,576,702	\$ 1,914,674
Donor-Imposed Restrictions:		
Restricted Funds	(19,790)	(94,884)
Endowments	<u>(610,175)</u>	<u>(554,521)</u>
Net Financial Assets after Donor-Imposed Restrictions	1,946,737	1,265,269
Internal Designations:		
Board-Designated Endowments	<u>(105,349)</u>	<u>(91,380)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 1,841,388</u>	<u>\$ 1,173,889</u>

Financial Assets include cash and cash equivalents, investments, due from related entities, contributions receivable, and investments held for long-term purposes. For purposes of analyzing resources available to meet general expenditures over one year, the Foundation considers all expenditures related to its ongoing program activities, as well as the functions in support of those activities, to be general expenditures.

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.



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**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, 2020 and 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.

**Allocation of Investment Strategies**

In addition to traditional stocks and fixed income securities, the Foundation may also hold shares or units in traditional institutional funds as well as in alternative investment funds involving hedged strategies, private equity, and real asset strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments, and are valued accordingly. Private equity funds employ buy-out and venture capital strategies and focus on investments in turn-around situations. Real estate funds generally hold interests in public real estate investment trusts (REITS) or commercial real estate through sole-member entities. Private equity and real asset strategies therefore often require the estimation of fair values by the fund managers in the absence of readily determinable market values. Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and the differences could be material.

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**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Investments (Continued)**

Allocation of Investment Strategies (Continued)

Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. Moreover, the fair values of the Foundation's interests in shares or units of these funds, because of liquidity and capital commitment terms that vary depending on the specific fund or partnership agreement, may differ from the fair value of the funds' underlying net assets.

**Fair Value Hierarchy**

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

	(Level 1)	(Level 2)	(Level 3)	Assets Not Held at Fair Value	Total
<u>August 31, 2020</u>					
Investments:					
Mutual Funds	\$ 680,144	\$ -	\$ -	\$ -	\$ 680,144
Exchange-Traded Funds	661,836	-	-	-	661,836
Equity Securities	175,560	-	-	-	175,560
Certificates of Deposit	-	100,028	-	-	100,028
Cash	-	-	-	186,973	186,973
Total Investments	<u>\$ 1,517,540</u>	<u>\$ 100,028</u>	<u>\$ -</u>	<u>\$ 186,973</u>	<u>\$ 1,804,541</u>
<u>August 31, 2019</u>					
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	-	-	-	156,335	156,335
Total Investments	<u>\$ 1,370,756</u>	<u>\$ 152,087</u>	<u>\$ -</u>	<u>\$ 156,335</u>	<u>\$ 1,679,178</u>

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**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:

	2020	2019
Total Amounts Due in:		
Within One Year	\$ 103,790	\$ 105,986
One to Five Years	-	7,800
Gross Contributions Receivable	103,790	113,786
Less: Discount to Present Value	-	(521)
Contributions Receivable, Net	<u>\$ 103,790</u>	<u>\$ 113,265</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 years ended August 31, 2020 and 2019, respectively, the Foundation received \$390,997 and \$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 \$162,379 and \$111,478 were paid from the Foundation to the National Organization during the years ended August 31, 2020 and 2019, 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 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 and \$300, respectively, for the years ended August 31, 2020 and 2019 which is recorded in the accompanying statements of activities as other income.

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

	2020	2019
Due from National Organization	\$ 28,637	\$ 35,970
Total Due from Related Entities	<u>\$ 28,637</u>	<u>\$ 35,970</u>
Due to National Organization	\$ 40,771	\$ 184
Due to Other Chapters	-	5,675
Total Due to Related Entities	<u>\$ 40,771</u>	<u>\$ 5,859</u>

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**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 the years ended August 31, 2020 and 2019, the Foundation received contributions, both cash and in-kind, from board members totaling \$54,842 and \$106,509, respectively. At August 31, 2020 and 2019, amounts due from board members totaled \$19,500 and \$-0-, respectively, and are included in contributions receivable in the accompanying statements of financial position.

**NOTE 7 PROPERTY AND EQUIPMENT, NET**

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

	2020	2019
Computer Equipment and Software	\$ 35,316	\$ 43,188
Office Furniture and Equipment	20,663	21,960
Leasehold Improvements	42,317	42,317
Total	98,296	107,465
Less: Accumulated Depreciation and Amortization	(79,985)	(98,842)
Property and Equipment, Net	<u>\$ 18,311</u>	<u>\$ 8,623</u>

Depreciation and amortization expense totaled \$ and \$, respectively, for the years ended August 31, 2020 and 2019.

**NOTE 8 LEASES**

The Foundation is obligated under one capital lease for equipment, which expires in July 2025. As of August 31, 2020 and 2019, the cost of leased property and equipment under capital leases was \$208 and \$8,517, respectively, and accumulated depreciation was \$ and \$, respectively. Total in-kind rent expense for the operating lease for the years ended August 31, 2020 and 2019, totaled \$47,831 and \$47,495, respectively 12,461.

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**NOTE 8 LEASES (CONTINUED)**

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

<u>Year Ending August 31,</u>	<u>Capital Leases</u>
2021	\$ 2,926
2022	2,926
2023	2,926
2024	2,926
2025	2,680
Total Minimum Lease Payments	14,384
Less: Amounts Representing Interest	(2,100)
Present Value of Net Minimum Lease Payments	<u>\$ 12,284</u>

**NOTE 9 NET ASSETS**

**Net Assets Without Donor Restrictions**

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

	<u>2020</u>	<u>2019</u>
Board-Designated Endowment Funds	\$ 105,349	\$ 91,380
Total Board-Designated Net Assets	<u>\$ 105,349</u>	<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:

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for Specified Purpose:		
Wish Granting	\$ -	\$ 75,094
Donated Rent	19,790	19,790
Total	19,790	94,884
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	242,368	186,714
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
Commonwealth Endowment	367,807	367,807
Total	610,175	554,521
Total Donor-Restricted Net Assets	<u>\$ 629,965</u>	<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 statements of financial position.

**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:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

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

	Without Donor Restrictions	With Donor Restrictions	Total
<u>August 31, 2020</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 610,175	\$ 610,175
Board-Designated Endowment Funds	105,349	-	105,349
Total Funds	<u>\$ 105,349</u>	<u>\$ 610,175</u>	<u>\$ 715,524</u>
<u>August 31, 2019</u>			
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>

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**NOTE 10 ENDOWMENTS (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

Changes in endowment funds are as follows for the years ended:

<u>August 31, 2020</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds - Beginning of Year	\$ 91,380	\$ 554,521	\$ 645,901
Investment Return:			
Investment Return, Net	1,738	10,943	12,681
Net Appreciation (Realized and Unrealized)	12,231	62,164	74,395
Total Investment Return	13,969	73,107	87,076
Appropriation of Endowment Assets for Expenditure	-	(17,453)	(17,453)
Endowment Funds - End of Year	<u>\$ 105,349</u>	<u>\$ 610,175</u>	<u>\$ 715,524</u>
<u>August 31, 2019</u>			
Endowment Funds - Beginning of Year	\$ 91,070	\$ 570,205	\$ 661,275
Investment Return:			
Investment Income	310	240	550
Appropriation of Endowment Assets for Expenditure	-	(15,924)	(15,924)
Endowment Funds - End of Year	<u>\$ 91,380</u>	<u>\$ 554,521</u>	<u>\$ 645,901</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. There were no fund deficiencies for year ended August 31, 2020.

**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.

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**NOTE 10 ENDOWMENTS (CONTINUED)**

**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 IRC 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 years ended August 31, 2020 and 2019 were \$6,494 and \$13,205, respectively.

**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 \$78,542 and \$208,197 were received from a single donor, respectively, for the years ended August 31, 2020 and 2019, which represents 5% and 14% of total public support. Additional contributions totaling \$210,374 were received from a single donor for the year ended August 31, 2020, which represents 13% of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.



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**NOTE 13 COMMITMENTS**

The goal of the Foundation is to grant the wish of every eligible child. During the years ending August 31, 2020 and 2019, the Foundation granted 58 and 91 wishes, respectively. As of August 31, 2020 and 2019, respectively, there were approximately 165 and 160 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2020 was \$6,628 in cash and \$6,561 in in-kind for a total cost of \$13,189. The average cost of a wish for the year ended August 31, 2019 was \$6,569 in cash and \$6,731 in in-kind for a total cost of \$13,300.

**NOTE 14 RISKS AND UNCERTAINTIES**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) began. On March 10, 2020, in conjunction with the Make-A-Wish America National Medical Advisory Council, Make-A-Wish America issued instructions to pause travel and large gathering wishes until deemed medically safe for our vulnerable population and their families. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic.

As of August 31, 2020, with only a few local exceptions, travel wishes are still paused. Over the past three years, travel wishes have been approximately 79% of wishes granted and the number of granted wishes averaged approximately 90. The number of wishes granted in the current year was 58.

In addition to the impact on travel and large gathering wishes, the Foundation has also cancelled or converted fundraising events to virtual events. The Foundation continues to evaluate all expenses and fundraising efforts in light of the impact of COVID-19. National efforts are underway to return to wish granting and fundraising efforts when it is deemed medically safe.

From an operational perspective, the Foundation's office closed and transitioned the staff to work from home as of March 17, 2020. The office remains closed. Temporary internal control policies were written to accommodate for the closure.

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**NOTE 15 PAYCHECK PROTECTION PROGRAM**

The Foundation applied for and was approved a \$88,400 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan was received on April 13, 2020. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government. Subsequent to year-end, the Foundation received forgiveness of their entire loan.

**NOTE 16 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through January 19, 2021, the date at which the financial statements were available to be issued.