

MAKE-A-WISH FOUNDATION® OF WYOMING
FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2016 AND 2015

**MAKE-A-WISH FOUNDATION® OF WYOMING
TABLE OF CONTENTS
YEARS ENDED AUGUST 31, 2016 AND 2015**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF CASH FLOWS	6
STATEMENTS OF FUNCTIONAL EXPENSES	7
NOTES TO FINANCIAL STATEMENTS	9

INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Wyoming
Casper, Wyoming

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Wyoming, which comprise the statements of financial position as of August 31, 2016 and 2015, and the related statements of activities, cash flows, and functional expenses for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal 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 Wyoming

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 Wyoming as of August 31, 2016 and 2015, 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

Greenwood Village, Colorado
January 30, 2017

MAKE-A-WISH FOUNDATION® OF WYOMING
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2016 AND 2015

ASSETS	2016	2015
Cash and Cash Equivalents	\$ 209,412	\$ 133,317
Investments	2,040,959	1,950,053
Due from Related Entities	5,410	11,256
Prepaid Expenses	3,993	6,793
Contributions Receivable, Net	8,312	9,841
Beneficial Interest in Assets Held by Others	375,078	360,324
Property and Equipment, Net	2,183	1,442
Beneficial Interest in Assets Held by a Community Foundation	2,992	3,303
Total Assets	\$ 2,648,339	\$ 2,476,329
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 16,314	\$ 16,820
Accrued Pending Wish Costs - Cash	68,157	82,094
Accrued Pending Wish Costs - In-kinds	42,217	60,158
Due to Related Entities	6,188	2,464
Total Liabilities	132,876	161,536
Net Assets		
Unrestricted	2,498,996	2,297,752
Temporarily Restricted	8,312	9,841
Permanently Restricted	8,155	7,200
Total Net Assets	2,515,463	2,314,793
Total Liabilities and Net Assets	\$ 2,648,339	\$ 2,476,329

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF WYOMING
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2016
(WITH SUMMARY TOTALS FOR YEAR ENDED AUGUST 31, 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2016 Total	2015 Total
REVENUES, GAINS AND OTHER SUPPORT					
Public Support:					
Contributions	\$ 657,561	\$ 4,478	\$ 955	\$ 662,994	\$ 498,232
Grants	131,642	-	-	131,642	33,575
Total Public Support	<u>789,203</u>	<u>4,478</u>	<u>955</u>	<u>794,636</u>	<u>531,807</u>
Internal Special Events	221,060	-	-	221,060	223,184
Less Costs of Direct Benefits to Donors	<u>(32,052)</u>	<u>-</u>	<u>-</u>	<u>(32,052)</u>	<u>(31,401)</u>
Total Special Events	<u>189,008</u>	<u>-</u>	<u>-</u>	<u>189,008</u>	<u>191,783</u>
Investment Income, Net	126,386	-	-	126,386	4,364
Other Income	3,900	-	-	3,900	4,875
Net Assets Released from Restrictions	<u>6,007</u>	<u>(6,007)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>1,114,504</u>	<u>(1,529)</u>	<u>955</u>	<u>1,113,930</u>	<u>732,829</u>
EXPENSES					
Program Services:					
Wish Granting	<u>755,592</u>	<u>-</u>	<u>-</u>	<u>755,592</u>	<u>601,579</u>
Total Program Services	<u>755,592</u>	<u>-</u>	<u>-</u>	<u>755,592</u>	<u>601,579</u>
Support Services:					
Fundraising	94,528	-	-	94,528	31,859
Management and General	<u>63,140</u>	<u>-</u>	<u>-</u>	<u>63,140</u>	<u>82,592</u>
Total Support Services	<u>157,668</u>	<u>-</u>	<u>-</u>	<u>157,668</u>	<u>114,451</u>
Total Program and Support Services Expense	<u>913,260</u>	<u>-</u>	<u>-</u>	<u>913,260</u>	<u>716,030</u>
Total Expenses and Losses	<u>913,260</u>	<u>-</u>	<u>-</u>	<u>913,260</u>	<u>716,030</u>
Change in Net Assets	201,244	(1,529)	955	200,670	16,799
Net Assets, Beginning of Year	<u>2,297,752</u>	<u>9,841</u>	<u>7,200</u>	<u>2,314,793</u>	<u>2,297,994</u>
NET ASSETS, END OF YEAR	<u>\$ 2,498,996</u>	<u>\$ 8,312</u>	<u>\$ 8,155</u>	<u>\$ 2,515,463</u>	<u>\$ 2,314,793</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF WYOMING
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2015

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT				
Public Support:				
Contributions	\$ 488,391	\$ 9,841	\$ -	\$ 498,232
Grants	33,575	-	-	33,575
Total Public Support	521,966	9,841	-	531,807
Internal Special Events	223,184	-	-	223,184
Less Costs of Direct Benefits to Donors	(31,401)	-	-	(31,401)
Total Special Events	191,783	-	-	191,783
Investment Income, Net	4,364	-	-	4,364
Other Income	4,875	-	-	4,875
Net Assets Released from Restrictions	11,343	(11,343)	-	-
Total Revenues, Gains, and Other Support	734,331	(1,502)	-	732,829
EXPENSES				
Program Services:				
Wish Granting	601,579	-	-	601,579
Total Program Services	601,579	-	-	601,579
Support Services:				
Fundraising	31,859	-	-	31,859
Management and General	82,592	-	-	82,592
Total Support Services	114,451	-	-	114,451
Total Program and Support Services Expense	716,030	-	-	716,030
Total Expenses and Losses	716,030	-	-	716,030
Change in Net Assets	18,301	(1,502)	-	16,799
Net Assets, Beginning of Year	2,279,451	11,343	7,200	2,297,994
NET ASSETS, END OF YEAR	\$ 2,297,752	\$ 9,841	\$ 7,200	\$ 2,314,793

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF WYOMING
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2016 AND 2015

	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 200,670	\$ 16,799
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation and Amortization	947	556
Contributions Restricted for Permanent Endowment	(955)	-
Net Realized and Unrealized (Gains) Losses on Investments	(36,061)	93,915
Changes in Assets and Liabilities:		
Contributions Receivable	1,529	1,726
Due from Related Entities	5,846	(9,338)
Prepaid Expenses	2,800	(5,388)
Accounts Payable and Accrued Expenses	(506)	6,936
Accrued Pending Wish Costs	(31,878)	28,060
Due to Related Entities	3,724	2,464
Net Cash Provided by Operating Activities	146,116	135,730
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(186,397)	(527,752)
Proceeds from Sales of Investments	116,982	176,055
Purchases of Property and Equipment	(1,688)	-
Disposition of Assets Held at Community Foundation	127	293
Net Cash Used in Investing Activities	(70,976)	(351,404)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted in Permanent Endowment	955	-
Net Cash Provided by Financing Activities	955	-
 Net Increase (Decrease) in Cash and Cash Equivalents	76,095	(215,674)
 CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	133,317	348,991
 CASH AND CASH EQUAVALENTS, END OF YEAR	\$ 209,412	\$ 133,317

See accompanying Notes to Financial Statements.

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

	Program	Support Services		Total	Total
	Services				
	Wish		Management	Services	
	Granting	Fundraising	and General		
Direct Costs of Wishes	459,484	\$ -	\$ -	\$ -	\$ 459,484
Salaries, Taxes, and Benefits	172,001	36,413	44,228	80,641	252,642
Printing, Subscriptions, and Publications	7,491	13,255	870	14,125	21,616
Professional Fees	22,209	4,191	5,090	9,281	31,490
Rent and Utilities	8,104	1,863	2,316	4,179	12,283
Postage and Delivery	3,614	2,323	644	2,967	6,581
Travel	7,761	4,692	2,752	7,444	15,205
Meetings and Conferences	3,468	7,835	870	8,705	12,173
Office Supplies	8,660	1,680	1,710	3,390	12,050
Communications	3,089	626	775	1,401	4,490
Advertising and Media (In-Kind)	32,130	15,870	-	15,870	48,000
Repairs and Maintenance	2,389	547	644	1,191	3,580
Membership Dues	523	131	144	275	798
National Partnership Dues	21,457	3,259	2,444	5,703	27,160
Miscellaneous	2,584	1,695	482	2,177	4,761
Depreciation and Amortization	628	148	171	319	947
	<u>\$ 755,592</u>	<u>\$ 94,528</u>	<u>\$ 63,140</u>	<u>\$ 157,668</u>	<u>\$ 913,260</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF WYOMING
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2015

	Program	Support Services			Total
	Services			Total	
	Wish		Management	Support	
	Granting	Fundraising	and General	Services	Total
Direct Costs of Wishes	\$ 381,037	\$ -	\$ -	\$ -	\$ 381,037
Salaries, Taxes, and Benefits	144,520	17,668	55,326	72,994	217,514
Printing, Subscriptions, and Publications	7,827	4,588	1,389	5,977	13,804
Professional Fees	10,331	1,306	4,433	5,739	16,070
Rent and Utilities	8,341	1,033	3,331	4,364	12,705
Postage and Delivery	4,890	620	1,995	2,615	7,505
Travel	1,599	436	648	1,084	2,683
Meetings and Conferences	6,267	1,372	1,785	3,157	9,424
Office Supplies	6,338	792	2,647	3,439	9,777
Communications	5,159	606	2,027	2,633	7,792
Repairs and Maintenance	1,080	136	456	592	1,672
Membership Dues	211	27	89	116	327
National Partnership Dues	21,988	3,062	2,783	5,845	27,833
Miscellaneous	1,632	168	5,531	5,699	7,331
Depreciation and Amortization	359	45	152	197	556
	<u>\$ 601,579</u>	<u>\$ 31,859</u>	<u>\$ 82,592</u>	<u>\$ 114,451</u>	<u>\$ 716,030</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF WYOMING
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Wyoming (the Foundation) is a Wyoming not-for-profit corporation, organized for the purpose of granting wishes to children with life-threatening medical conditions. The Foundation is an independently operating chapter of Make-A-Wish Foundation® of America (National Organization), which operates to develop and implement national programs in public relations and fundraising for the benefit of all local chapters. In addition, the local chapter is obligated to comply with a chapter agreement with the National Organization and such guidelines, resolutions, and policies as may be adopted by the National Organization's board of directors.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) applicable to not-for-profit 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, 2016 and 2015 is \$36,255 and \$14,390, respectively, of money market mutual funds.

Investments

Investments are recorded at fair value. Investment income, including gains and losses on investments, is recorded as increases or decreases in unrestricted net assets 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 \$1,500 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets. 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 WYOMING
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

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 Inputs: Unadjusted quoted prices in active markets for identical assets (or liabilities) that the reporting entity has the ability to access at the measurement date.
- Level 2 Inputs: Prices for a similar asset (or liability), other than quoted prices included in Level 1 inputs, that are observable for the asset (or liability), either directly or indirectly. If the asset (or liability) has a specified term, a Level 2 input must be observable for substantially the full term of the asset (or liability).
- Level 3 Inputs: Unobservable inputs for the asset (or liability) used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset (or liability) at measurement date.

See additional information in Note 3.

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.

MAKE-A-WISH FOUNDATION® OF WYOMING
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

- **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 contribution revenue. Conditional promises are recorded as revenue once the conditions are substantially met. Contributions, grants, and bequests are recognized as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. When restrictions are met in the same period as the contribution is received, the Foundation records the contribution and the expense as unrestricted. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

The Foundation received in-kind contributions of assets and services that are as follows at August 31:

	<u>Support Services</u>			2016 Total
	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	
Program and Support Service Expenses:				
Wish Related	\$ 207,426	\$ -	\$ -	\$ 207,426
Professional Services	1,843	423	485	2,751
Rent	1,581	379	440	2,400
Advertising and Media	32,130	15,870	-	48,000
Other	369	2,969	-	3,338
Total Program and Supported Service Expenses	243,349	19,641	925	263,915
Direct Benefit Expenses, Netted with Special Event Revenue	-	3,051	-	3,051
Total	<u>\$ 243,349</u>	<u>\$ 22,692</u>	<u>\$ 925</u>	<u>\$ 266,966</u>

MAKE-A-WISH FOUNDATION® OF WYOMING
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

	Programs	Support Services		2015 Total
		Fundraising	Management and General	
Program and Support Service Expenses:				
Wish Related	\$ 120,037	\$ -	\$ -	\$ 120,037
Professional Services	9,363	1,183	4,024	14,570
Rent	1,550	196	654	2,400
Other	619	78	261	958
Total Program and Supported Service Expenses	131,569	1,457	4,939	137,965
Direct Benefit Expenses, Netted with Special Event Revenue	-	49	-	49
Total	<u>\$ 131,569</u>	<u>\$ 1,506</u>	<u>\$ 4,939</u>	<u>\$ 138,014</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 fund raising materials, informational material, or advertising, and may be in the form of an audio or video tape of a public service announcement, a layout for a newspaper, media time or space for public service announcements, or other purposes. Advertising and media are reported as contribution revenue and fundraising or public information expense when received and the reporting of such contributions is unaffected by whether the Foundation could afford to purchase or would have purchased the assets at their fair value. Advertising costs totaled \$48,000 and \$-0- for the years ended August 31, 2016 and 2015, respectively.

Reclassifications

Certain accounts in the prior year financial statements have been reclassified for comparative purposes to conform to the presentation in the current year financial statements. There was no effect on the net assets or changes in net assets.

Income Taxes

The Foundation is a not-for-profit organization exempt from federal income and Wyoming taxes under the provisions of Internal Revenue Code 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, 2016 and 2015. The Foundation files income tax returns in the U.S. federal jurisdiction.

MAKE-A-WISH FOUNDATION® OF WYOMING
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

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 that grant wishes to children with life-threatening medical conditions.

Fundraising

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

Management and General

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

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

Management Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, valuation of investments and contributions receivable, accrued pending wish costs, net of attrition on pending wish costs and whether an allowance for uncollectible contributions receivable is required. The current economic environment continues to create a high degree of uncertainty in those estimates and assumptions.

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, 2016 and 2015 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.

MAKE-A-WISH FOUNDATION® OF WYOMING
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value of Financial Instruments (Continued)

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 including mutual funds and exchange traded funds.

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, 2016:

	Fair Value Measurements at August 31, 2016 Using			Total
	(Level 1)	(Level 2)	(Level 3)	
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 593,678	\$ -	\$ -	\$ 593,678
Exchange-Traded Funds:				
Fixed Income	209,014	-	-	209,014
Equity Securities:				
Preferred Stock	265,676	-	-	265,676
Debt Securities:				
Corporate	-	260,541	-	260,541
Certificates of Deposit	-	-	-	712,050
Total Recurring	1,068,368	260,541	-	2,040,959
Beneficial Interest in Assets Held by Others	-	-	375,078	375,078
Beneficial Interest in Assets Held by a Community Foundation	-	-	2,992	2,992
Total	<u>\$ 1,068,368</u>	<u>\$ 260,541</u>	<u>\$ 378,070</u>	<u>\$ 2,419,029</u>

MAKE-A-WISH FOUNDATION® OF WYOMING
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

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, 2015:

	Fair Value Measurements at August 31, 2015 Using			Total
	(Level 1)	(Level 2)	(Level 3)	
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 562,649	\$ -	\$ -	562,649
Exchange-Traded Funds:				
Preferred Stock	201,545	-	-	201,545
Equity Securities:				
Preferred Stock	248,278	-	-	248,278
Debt Securities:				
Corporate	-	227,954	-	227,954
Certificates of Deposit	-	-	-	709,627
Total Recurring	1,012,472	227,954	-	1,950,053
Beneficial Interest in Assets Held by Others	-	-	360,324	360,324
Beneficial Interest in Assets Held by a Community Foundation	-	-	3,303	3,303
Total	<u>\$ 1,012,472</u>	<u>\$ 227,954</u>	<u>\$ 363,627</u>	<u>\$ 2,313,680</u>

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

	(Level 3)
Beginning Balance	\$ 363,627
Total Gains or Losses (Realized/Unrealized)	
Included in Changes in Net Assets	13,615
Purchases	955
Distributions	(127)
Ending Balance	<u>\$ 378,070</u>
Change in Unrealized Gains or Losses for the Period	
Included in the Change in Net Assets Relating to Investments Still Held at End of Reporting Period	<u>\$ 8,371</u>

MAKE-A-WISH FOUNDATION® OF WYOMING
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents a rollforward of activity for investments measured at fair value using significant unobservable inputs (Level 3) for the year ended August 31, 2015:

	(Level 3)
Beginning Balance	\$ 375,668
Total Gains or Losses (Realized/Unrealized)	
Included in Changes in Net Assets	(11,916)
Distributions	(125)
Ending Balance	\$ 363,627
Change in Unrealized Gains or Losses for the Period	
Included in the Change in Net Assets Relating to Investments	
Still Held at End of Reporting Period	\$ (27,900)

Total investment income, gains, and losses for the years ended August 31, 2016 and 2015 consist of the following:

	2016	2015
Dividend Income and Interest Income, Net of Fees	90,325	\$ 98,279
Realized and Unrealized Gains (Losses), Net	36,061	(93,915)
Investment Income, Net	\$ 126,386	\$ 4,364

NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at a rate of 4.73% at August 31, 2016 and August 31, 2015. The following is a summary of the Foundation's contributions receivable at August 31:

	2016	2015
Total Amounts Due in:		
One Year	\$ 6,878	\$ 6,257
Two to Five Years	1,600	4,000
Gross Contributions Receivable	8,478	10,257
Less Discount to Present Value	(166)	(416)
Contributions Receivable, Net	\$ 8,312	\$ 9,841

MAKE-A-WISH FOUNDATION® OF WYOMING
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 5 BENEFICIAL INTEREST IN ASSETS

Beneficial Interest in Assets Held by Others

As of August 31, 2016 and 2015, the Foundation had a beneficial interest in assets held by others of \$375,078 and \$360,324, respectively. This interest consists of funds contributed to the Wishes Forever Endowment Fund held by the National Office. An endowment agreement has been signed between the Foundation and National Office, and thus, the original corpus and any accumulated earnings are not readily redeemable by the Foundation at any time; however, distributions of earnings will be made periodically by the National Office to the Foundation according to the National Office's Endowment Spending Policy.

Of the \$375,078 and \$360,324 as of August 31, 2016 and 2015, \$368,923 and \$355,124, respectively, of the beneficial interest in assets held by others is board designated and is classified as unrestricted net assets. The remaining \$6,155 and \$5,200, respectively, are permanently restricted funds, \$5,200 of which related to the Kathleen Hemry Trust endowment discussed below. As of August 31, 2016, the remaining \$955 of permanently restricted funds relates to a contribution received during the year ended August 31, 2016. No distributions were received by the Foundation for the years ended August 31, 2016 and 2015. See note 3 for fair value disclosures related to this asset.

Kathleen Hemry Trust

During the year ended August 31, 2014, the Foundation received a final distribution from the Kathleen Hemry Trust of \$5,200, stating the funds should be invested into the Foundation's endowments with the corpus being maintained and investment earnings to be used for the Foundation's programs or other operating activities. The \$2,000 originally received from the Hemry Trust are invested with the Wyoming Community Foundation (see below). In total, the \$7,200 received from the Hemry Trust are permanently restricted funds.

Beneficial Interest in Assets Held by a Community Foundation

In May 1994, \$2,000 of the Hemry Trust (see above) was established as a permanently restricted endowment at the Wyoming Community Foundation, Inc. (Community Foundation). Distributions from the Community Foundation are to be made at least annually in amounts determined by the Community Foundation's board of directors to support the mission of the Foundation. Distributions of \$127 and \$125 were made for the years ended August 31, 2016 and 2015, respectively. The endowment is reported in the accompanying statements of financial position as a beneficial interest in assets held by a community foundation.

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 received from or paid to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the years ended August 31, 2016 and 2015, respectively, the Foundation received \$78,062 and \$74,510, respectively, from these national revenue streams.

MAKE-A-WISH FOUNDATION® OF WYOMING
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

Conversely, the chapter pays amounts to the National Organization for annual dues, insurance, and other miscellaneous ancillary expenses that Make-A-Wish Foundation of America pays on behalf of the Foundation. Amounts totaling \$73,645 and \$30,469 were paid from the Foundation to the National Organization during the years ended August 31, 2016 and 2015, respectively.

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 \$-0- and \$75,000 during the years ended August 31, 2016 and 2015, 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 \$3,900 and \$4,875 for the years ended August 31, 2016 and 2015, respectively, which is recorded in the accompanying statements of activities as other income.

Amounts due from and to related entities are as follows:

	2016	2015
Balance at August 31:		
Due from National Organization	\$ 4,510	\$ 10,056
Due from Other Chapters	900	1,200
Total Due from Related Entities	\$ 5,410	\$ 11,256
Due to National Organization	\$ 109	\$ 1,500
Due to Other Chapters	6,079	964
Total Due to Related Entities	\$ 6,188	\$ 2,464

Amounts due from the National Organization represent contributions remitted to the National Organization that are identified for the Foundation’s use but were not yet transferred to the Foundation as of year-end. Amounts due from other chapters represent amounts paid in assisting other chapters with their wish granting. Amounts due to other chapters represent amounts owed to other chapters who have assisted in the granting of wishes for the Foundation.

During 2016 and 2015, the Foundation received contributions, both cash and in-kind, from board members totaling \$7,995 and \$20,945, respectively.

MAKE-A-WISH FOUNDATION® OF WYOMING
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 7 PROPERTY AND EQUIPMENT, NET

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

	2016	2015
Computer Equipment and Software	\$ 9,075	\$ 7,388
Office Furniture	3,235	3,235
	<u>12,310</u>	<u>10,623</u>
Less Accumulated Depreciation and Amortization	(10,127)	(9,181)
Property and Equipment, Net	<u>\$ 2,183</u>	<u>\$ 1,442</u>

Depreciation and amortization expense totaled \$947 and \$556 for the years ended August 31, 2016 and 2015, respectively.

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 owed as of year-end for all reportable pending wishes are accrued as pending wish liability. The in-kind portion of the pending wish liability includes the estimated in-kind outlay that is 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, 2016 would be \$2,536,735.

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, 2016 and 2015, the Foundation had approximately 11 and 12 reportable pending wishes, respectively.

MAKE-A-WISH FOUNDATION® OF WYOMING
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 9 LEASES

The Foundation is obligated under an operating lease for its office, which expires April 30, 2018. Monthly rent expense equals \$775. Payment on the obligation, however, is only \$575, as \$200 is contributed as an in-kind contribution. Total rent expense for all operating leases for the years ended August 31, 2016 and 2015 totaled \$9,300 each year.

Future minimum lease payments under the operating lease having remaining terms in excess of one year is \$11,500.

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 approximately three 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 beneficial interest in assets held by others and beneficial interest in assets held by a community foundation on the statements of financial position.

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the Wyoming 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 WYOMING
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 10 ENDOWMENTS (CONTINUED)

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

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-Restricted Endowment Funds	\$ -	\$ -	\$ 8,155	\$ 8,155
Board-Designated Endowment Funds	369,915	-	-	369,915
Total Funds	<u>\$ 369,915</u>	<u>\$ -</u>	<u>\$ 8,155</u>	<u>\$ 378,070</u>

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-Restricted Endowment Funds	\$ -	\$ -	\$ 7,200	\$ 7,200
Board-Designated Endowment Funds	356,427	-	-	356,427
Total Funds	<u>\$ 356,427</u>	<u>\$ -</u>	<u>\$ 7,200</u>	<u>\$ 363,627</u>

Changes in endowment net assets for the year ended August 31 are as follows:

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment Net Assets, Beginning of Year	\$ 356,427	\$ -	\$ 7,200	\$ 363,627
Investment Return:				
Investment Income	6,499	-	-	6,499
Net Appreciation (Realized and Unrealized)	7,116	-	-	7,116
Total Investment Return	13,615	-	-	13,615
Contributions	-	-	955	955
Distributions	(127)	-	-	(127)
Endowment Net Assets, End of Year	<u>\$ 369,915</u>	<u>\$ -</u>	<u>\$ 8,155</u>	<u>\$ 378,070</u>

	2015			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment Net Assets, Beginning of Year	\$ 368,468	\$ -	\$ 7,200	\$ 375,668
Investment Return:				
Investment Income	1,386	-	-	1,386
Net Appreciation (Realized and Unrealized)	(13,302)	-	-	(13,302)
Total Investment Return	(11,916)	-	-	(11,916)
Distributions	(125)	-	-	(125)
Endowment Net Assets, End of Year	<u>\$ 356,427</u>	<u>\$ -</u>	<u>\$ 7,200</u>	<u>\$ 363,627</u>

MAKE-A-WISH FOUNDATION® OF WYOMING
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 10 ENDOWMENTS (CONTINUED)

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

	2016	2015
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	\$ 8,155	\$ 7,200

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.

NOTE 11 TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

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

	2016	2015
Time Restrictions	\$ 8,312	\$ 9,841

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

	2016	2015
Investments in Perpetuity, the Income from which is		
Expendable to Support Any Activities of the Foundation	\$ 8,155	\$ 7,200

NOTE 12 RETIREMENT PLAN

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of one year of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 3.0% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2016 and 2015 were \$4,935 and \$4,356, respectively.

MAKE-A-WISH FOUNDATION® OF WYOMING
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2016 AND 2015

NOTE 13 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 \$101,786 were received from two donors for the year ended August 31, 2016 and in-kind contributions totaling \$55,857 were received from one donor for the year ended August 31, 2015, which represents 13% and 11%, respectively, of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 14 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through January 30, 2017, the date at which the financial statements were available to be issued.