

**MAKE-A-WISH FOUNDATION® OF UTAH**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2015 AND 2014**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Utah  
Murray, Utah

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

Board of Directors  
Make-A-Wish Foundation® of Utah

***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 Utah as of August 31, 2015 and 2014, 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**

Denver, Colorado  
December 8, 2015

**MAKE-A-WISH FOUNDATION® OF UTAH**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2015 AND 2014**

	2015	2014
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 375,846	\$ 419,822
Investments	80,476	84,771
Due from Related Entities	66,358	100,294
Prepaid Expenses	20,192	4,457
Contributions Receivable, Net	228,320	236,476
Other Assets	11,296	12,512
Restricted Cash	24,800	70,057
Property and Equipment, Net	2,026,840	2,049,120
Beneficial Interest in Assets Held by Others	65,646	68,351
Total Assets	\$ 2,899,774	\$ 3,045,860
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 116,094	\$ 90,882
Accrued Pending Wish Costs	1,079,048	693,368
Due to Related Entities	5,895	2,995
Other Liabilities	70,000	-
Deferred Rent	6,093	-
Capital Lease Obligation	26,374	36,078
Total Liabilities	1,303,504	823,323
<b>NET ASSETS</b>		
Unrestricted	1,277,503	1,801,653
Temporarily Restricted	266,192	368,309
Permanently Restricted	52,575	52,575
Total Net Assets	1,596,270	2,222,537
Total Liabilities and Net Assets	\$ 2,899,774	\$ 3,045,860

See accompanying Notes to Financial Statements.

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Public Support:				
Contributions	\$ 1,765,067	\$ 227,820	\$ -	\$ 1,992,887
Grants	426,747	9,525	-	436,272
Total Public Support	2,191,814	237,345	-	2,429,159
Internal Special Events	384,815	-	-	384,815
Less Costs of Direct Benefits to Donors	(155,783)	-	-	(155,783)
Total Special Events	229,032	-	-	229,032
Investment Income, Net	(4,693)	(2,705)	-	(7,398)
Other Income	3,000	-	-	3,000
Net Assets Released from Restrictions	336,757	(336,757)	-	-
Total Revenues, Gains, and Other Support	2,755,910	(102,117)	-	2,653,793
<b>EXPENSES</b>				
Program Services:				
Wish Granting	2,765,524	-	-	2,765,524
Total Program Services	2,765,524	-	-	2,765,524
Support Services:				
Fundraising	272,853	-	-	272,853
Management and General	241,683	-	-	241,683
Total Support Services	514,536	-	-	514,536
Total Program and Support Services Expense	3,280,060	-	-	3,280,060
Total Expenses and Losses	3,280,060	-	-	3,280,060
Change in Net Assets (Deficit)	(524,150)	(102,117)	-	(626,267)
Net Assets - Beginning of Year	1,801,653	368,309	52,575	2,222,537
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,277,503</b>	<b>\$ 266,192</b>	<b>\$ 52,575</b>	<b>\$ 1,596,270</b>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF UTAH**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2014**

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>				
Public Support:				
Contributions	\$ 1,375,397	\$ 257,233	\$ -	\$ 1,632,630
Grants	388,108	93,300	-	481,408
Total Public Support	1,763,505	350,533	-	2,114,038
Internal Special Events	418,098	2,000	-	420,098
Less Costs of Direct Benefits to Donors	(116,181)	-	-	(116,181)
Total Special Events	301,917	2,000	-	303,917
Investment Income, Net	1,155	15,776	-	16,931
Other Income	1,423	-	-	1,423
Net Assets Released from Restrictions	218,851	(218,851)	-	-
Total Revenues, Gains, and Other Support	2,286,851	149,458	-	2,436,309
<b>EXPENSES</b>				
Program Services:				
Wish Granting	2,180,712	-	-	2,180,712
Total Program Services	2,180,712	-	-	2,180,712
Support Services:				
Fundraising	279,991	-	-	279,991
Management and General	192,175	-	-	192,175
Total Support Services	472,166	-	-	472,166
Total Program and Support Services Expense	2,652,878	-	-	2,652,878
Total Expenses and Losses	2,652,878	-	-	2,652,878
Change in Net Assets (Deficit)	(366,027)	149,458	-	(216,569)
Net Assets - Beginning of Year	2,167,680	218,851	52,575	2,439,106
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 1,801,653</b>	<b>\$ 368,309</b>	<b>\$ 52,575</b>	<b>\$ 2,222,537</b>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF UTAH**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2015 AND 2014**

	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets (Deficit)	\$ (626,267)	\$ (216,569)
Adjustments to reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	80,325	73,057
Net Realized and Unrealized (Gains) Losses on Investments	13,031	(13,257)
(Gain) Loss on Sale of Property and Equipment	-	436
Contributed Property and Equipment, Inventory and Investments	(11,795)	(16,392)
Changes in Assets and Liabilities:		
Contributions Receivable	8,156	12,888
Due from Related Entities	33,936	(46,219)
Prepaid Expenses	(15,735)	(3,097)
Other Assets	1,216	(9,196)
Accounts Payable and Accrued Expenses	25,212	13,197
Accrued Pending Wish Costs	385,680	316,128
Due to Related Entities	2,900	(8,696)
Other Liabilities	70,000	-
Deferred Rent	6,093	-
Net Cash Provided (Used) by Operating Activities	(27,248)	102,280
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(5,918)	(36,696)
Proceeds from Sales of Investments	2,833	31,873
Purchases of Property and Equipment	(49,196)	(2,349)
Change in Restricted Cash	45,257	(70,057)
Net Cash Used by Investing Activities	(7,024)	(77,229)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Capital Lease Obligation	(9,704)	(8,846)
Net Cash Used by Financing Activities	(9,704)	(8,846)
 Net Increase (Decrease) in Cash and Cash Equivalents	(43,976)	16,205
 Cash and Cash Equivalents - Beginning of Year	419,822	403,617
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<b>\$ 375,846</b>	<b>\$ 419,822</b>

See accompanying Notes to Financial Statements.



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

	Program Services	Support Services			Total
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 2,177,697	\$ -	\$ -	\$ -	\$ 2,177,697
Salaries, Taxes, and Benefits	368,315	136,759	205,392	342,151	710,466
Printing, Subscriptions, and Publications	6,249	12,364	1,850	14,214	20,463
Professional Fees	12,432	7,508	3,810	11,318	23,750
Rent and Utilities	35,864	4,073	3,540	7,613	43,477
Postage and Delivery	2,458	3,569	614	4,183	6,641
Travel	4,027	9,131	887	10,018	14,045
Meetings and Conferences	7,793	14,214	1,074	15,288	23,081
Office Supplies	5,358	9,675	825	10,500	15,858
Communications	10,189	3,122	3,122	6,244	16,433
Advertising and Media (In-Kind)	-	41,000	-	41,000	41,000
Repairs and Maintenance	14,873	7,446	4,134	11,580	26,453
Membership Dues	445	2,424	156	2,580	3,025
National Partnership Dues	45,261	6,302	5,729	12,031	57,292
Miscellaneous	10,069	7,001	2,984	9,985	20,054
Depreciation and Amortization	64,494	8,265	7,566	15,831	80,325
	<u>\$ 2,765,524</u>	<u>\$ 272,853</u>	<u>\$ 241,683</u>	<u>\$ 514,536</u>	<u>\$ 3,280,060</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF UTAH**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2014**

	Program Services	Support Services			Total
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,750,999	\$ -	\$ -	\$ -	\$ 1,750,999
Salaries, Taxes, and Benefits	221,377	132,944	138,077	271,021	492,398
Printing, Subscriptions, and Publications	5,659	16,690	1,430	18,120	23,779
Professional Fees	35,804	18,998	18,267	37,265	73,069
Rent and Utilities	29,955	4,859	4,467	9,326	39,281
Postage and Delivery	2,772	6,805	1,329	8,134	10,906
Travel	5,615	4,384	1,211	5,595	11,210
Meetings and Conferences	2,740	3,433	908	4,341	7,081
Office Supplies	4,081	8,407	1,336	9,743	13,824
Communications	4,435	2,327	2,215	4,542	8,977
Advertising and Media (In-Kind)	-	44,430	-	44,430	44,430
Repairs and Maintenance	12,091	9,955	873	10,828	22,919
Insurance	375	58	54	112	487
Membership Dues	559	289	272	561	1,120
National Partnership Dues	42,282	5,963	5,963	11,926	54,208
Miscellaneous	7,718	10,680	6,735	17,415	25,133
Depreciation and Amortization	54,250	9,769	9,038	18,807	73,057
	<u>\$ 2,180,712</u>	<u>\$ 279,991</u>	<u>\$ 192,175</u>	<u>\$ 472,166</u>	<u>\$ 2,652,878</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of Utah (the Foundation) is a Utah 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, 2015 and 2014 are \$89,930 and \$87,387, 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. All contributions receivable at August 31, 2015 are expected to be fully realizable within one year.

**Restricted Cash**

Restricted cash refers to the unexpended portion of support received that has been restricted by the donor for a specific purpose. These restrictions are for program expenditures and operational support.

**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. Property and equipment under capital leases are stated at the present value of future minimum lease payments at the time of acquisition.

**MAKE-A-WISH FOUNDATION® OF UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

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

**Property and Equipment, Net (Continued)**

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. The building is being depreciated over an estimated life of forty years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

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

**Fair Value Measurements**

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

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

- Level 1 Inputs: Unadjusted quoted prices in active markets for identical assets (or liabilities) that the reporting entity has the ability to access at the measurement date.
- Level 2 Inputs: Prices for a similar asset (or liability), other than quoted prices included in Level 1 inputs, that are observable for the asset (or liability), either directly or indirectly. If the asset (or liability) has a specified term, a Level 2 input must be observable for substantially the full term of the asset (or liability).
- 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.

**MAKE-A-WISH FOUNDATION® OF UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

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

**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 program or unrestricted purposes.
- **Temporarily restricted net assets** – Net assets subject to restrictions imposed by donor or law that may be met either by actions of the Foundation or the passage of time.
- **Unrestricted net assets** – Net assets that are not subject to donor-imposed restrictions or law.

**Revenue Recognition**

Unconditional promises to give are recognized initially at fair value as contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. Amortization of the discounts is recorded as additional 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 included in the accompanying statements of activities as follows:

	2015	2014
Contributions:		
Wish Related	\$ 954,490	\$ 639,420
Advertising and Media	41,000	44,430
Investments	2,946	10,107
Property and Equipment	8,849	16,392
Other	35,538	6,101
Total	\$ 1,042,823	\$ 716,450
Special Event Revenue:		
Internal Special Events	\$ 128,640	\$ 89,787

**MAKE-A-WISH FOUNDATION® OF UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

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

**Revenue Recognition (Continued)**

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 for 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. Advertising and media are reported as contribution revenue and fundraising expense when received. The reporting of such contributions is unaffected by whether the Foundation could afford to purchase or would have purchased the assets at their fair value.

**Income Taxes**

The Foundation is a not-for-profit organization exempt from federal income and Utah income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Section 59-7-102 of the Utah 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, 2015 and 2014.

**Functional Expenses**

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

**Wish Granting**

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

**Fundraising**

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations. During the fiscal years ended August 31, 2015 and 2014, the Foundation incurred no significant joint costs for activities that include fundraising appeals.

**MAKE-A-WISH FOUNDATION® OF UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

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

**Functional Expenses (Continued)**

**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, 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 table(s) as of August 31, 2015 and 2014 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.

**MAKE-A-WISH FOUNDATION® OF UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Fair Value of Financial Instruments (Continued)**

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 Finance committee which oversees the Foundation's investment program in accordance with established guidelines.

**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, 2015:

	Fair Value Measurements at August 31, 2015 Using			Total
	(Level 1)	(Level 2)	(Level 3)	
Assets:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 24,397	\$ -	\$ -	\$ 24,397
International Equity	7,601	-	-	7,601
Global	8,594	-	-	8,594
Money Market Funds	29	-	-	29
Asset Allocation	4,464	-	-	4,464
Bonds	35,391	-	-	35,391
Alternative Investments:				
Beneficial Interest in Assets Held by Others	-	-	65,646	65,646
Total	<u>\$ 80,476</u>	<u>\$ -</u>	<u>\$ 65,646</u>	<u>\$ 146,122</u>

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, 2014:

	Fair Value Measurements at August 31, 2014 Using			Total
	(Level 1)	(Level 2)	(Level 3)	
Assets:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 22,313	\$ -	\$ -	\$ 22,313
International Equity	10,174	-	-	10,174
Global	11,016	-	-	11,016
Money Market Funds	1,379	-	-	1,379
Real Estate	5,081	-	-	5,081
Asset Allocation	34,808	-	-	34,808
Alternative Investments:				
Beneficial Interest in Assets Held by Others	-	-	68,351	68,351
Total	<u>\$ 84,771</u>	<u>\$ -</u>	<u>\$ 68,351</u>	<u>\$ 153,122</u>



**MAKE-A-WISH FOUNDATION® OF UTAH**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2015 AND 2014**

**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Fair Value Hierarchy (Continued)**

Total investment income, gains, and losses for the years ended August 31, 2015 and 2014 consist of the following:

	2015	2014
Interest and Dividend Income	\$ 7,273	\$ 5,413
Realized and Unrealized Gains, Net	(13,031)	13,257
Less Investment Expenses	(1,640)	(1,739)
Investment Income, Net	\$ (7,398)	\$ 16,931

**NOTE 4 CONTRIBUTIONS RECEIVABLE**

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

**NOTE 5 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

**Beneficial Interest in Assets Held by Others**

In fiscal years 2010, 2011, and 2012, the Foundation transferred donor-restricted endowment funds of \$25,000, \$15,200, and \$12,375, respectively, to the Community Foundation of Utah (CFU). Proceeds from endowment funds are restricted by the donors for use in granting wishes. Distributions of income may be made annually, or more frequently, in accordance with the spending policy established by the Board of the CFU. The Foundation has not yet requested distributions from the trust in an effort to grow the value of the account.

The Foundation's beneficial interest in the trust was \$65,646 and \$68,351 as of August 31, 2015 and 2014, respectively. The Foundation used significant unobservable inputs including information from owner-to-owner transactions and the Foundation's own assumptions (Level 3).

The following table presents a rollforward of activity for investments measured at fair value using significant unobservable inputs (Level 3) for the years ended August 31, 2015 and 2014:

	(Level 3)
Balance, August 31, 2013	\$ 52,575
Total Gains or Losses (Realized/Unrealized) Included in Changes in Net Assets	15,776
Balance, August 31, 2014	68,351
Total Gains or Losses (Realized/Unrealized) Included in Changes in Net Assets	(2,705)
Balance, August 31, 2015	\$ 65,646

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**NOTE 6 TRANSACTIONS WITH RELATED ENTITIES**

The Foundation received the following distributions from the National Organization for the years ended August 31:

	<u>2015</u>	<u>2014</u>
Corporate, Online, Whitemail and General Contributions	\$ 259,026	\$ 222,682
Grants	5,799	131,070
Scholarships	10,473	6,158
Wish Fulfillment Fund	12,500	50,000
Adopt-A-Wish	-	10,000
Other	-	5,608
Total Distributions Received	<u>\$ 287,798</u>	<u>\$ 425,518</u>

These amounts are recorded in the Statements of Activities as public support revenue.

The Foundation paid to the National Organization the following amounts for the years ended August 31:

	<u>2015</u>	<u>2014</u>
Partnership Dues	\$ 57,292	\$ 54,208
Insurance	3,593	4,936
Other	4,728	13,266
Total Amounts Paid	<u>\$ 65,613</u>	<u>\$ 72,410</u>

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 \$3,000 and \$2,250 for the years ended August 31, 2015 and 2014, respectively, 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:

	<u>2015</u>	<u>2014</u>
Due from National Organization	\$ 66,358	\$ 100,294
Total Due from Related Entities	<u>\$ 66,358</u>	<u>\$ 100,294</u>
Due to National Organization	\$ -	\$ 1,131
Due to Other Chapters	5,895	1,864
Total Due to Related Entities	<u>\$ 5,895</u>	<u>\$ 2,995</u>

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

During 2015 and 2014, the Foundation received contributions, both cash and in-kind, from board members totaling \$32,208 and \$89,569, respectively.

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**NOTE 7 PROPERTY AND EQUIPMENT, NET**

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

	2015	2014
Land	\$ 450,249	\$ 450,249
Buildings and Building Improvements	2,100,288	2,092,708
Computer Equipment and Software	64,739	55,219
Office Furniture	99,924	68,891
Other Equipment	90,808	82,015
	<u>2,806,008</u>	<u>2,749,082</u>
Less: Accumulated Depreciation and Amortization	<u>(779,168)</u>	<u>(699,962)</u>
Property and Equipment, Net	<u>\$ 2,026,840</u>	<u>\$ 2,049,120</u>

Depreciation and amortization expense totaled \$80,325 and \$73,057 for the years ended August 31, 2015 and 2014, respectively.

**NOTE 8 ACCRUED PENDING WISH COSTS**

The Foundation accrues for estimated costs of reportable pending wishes as unconditional promises to give when five certain, measurable wish criteria are met. Prior to meeting these five criteria, the wish is considered a conditional promise to give due to the inherent uncertainties surrounding these criteria and is therefore not accrued as a pending wish liability. Reportable pending wish criteria include:

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

Estimated cash and in-kind costs owed as of year end for all reportable pending wishes are accrued as pending wish liability. The in-kind portion of the pending wish liability represents the estimated in-kind outlay that is expected to be incurred in fulfilling each wish; note that the matching in-kind revenues are recognized when an unconditional promise is received for the required goods or services or in the future period when the wish is granted.

The Foundation, as part of its estimate of accrued pending wish costs, also considers attrition on pending wish costs. An attrition rate is calculated by the Foundation by analyzing the trend of wishes that have been accrued for using the five criteria discussed above that have not been able to be completed within the past twelve months due to factors outside of the control of the chapter, such as the death of a child, the move of the family out of the chapter's territory, or loss of contact with the family. As of August 31, 2015 and 2014, the Foundation had approximately 116 and 90 reportable pending wishes, respectively.

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**NOTE 9 LEASES**

The Foundation is obligated under various capital and operating leases for equipment, which expire at various dates through September 30, 2019. As of August 31, 2015 and 2014, the cost of leased property and equipment under capital leases was \$52,352, and accumulated depreciation was \$28,817 and \$19,113, respectively. Total rent expense for all operating leases for the years ended August 31, 2015 and 2014 totaled \$2,341 and \$6,528, respectively.

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

	Operating Lease	Capital Lease
<u>Year Ending August 31:</u>		
2016	\$ 5,606	\$ 12,634
2017	9,774	12,634
2018	9,774	4,210
2019	9,774	-
2020 and Following	1,629	-
Total Minimum Lease Payments	36,557	29,478
Less Amounts Representing Interest	-	(3,104)
Present Value of Net Minimum Lease Payments	\$ 36,557	\$ 26,374

**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 one individual fund held by the Community Foundation of Utah, established for wish granting purposes, utilizing donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets 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 Utah 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.

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**NOTE 10 ENDOWMENTS (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

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

Endowment net asset composition by type of fund as of August 31, 2015 and 2014 is as follows:

		2015			
		Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	Donor-Restricted Endowment Funds	\$ -	\$ 13,071	\$ 52,575	\$ 65,646
	Total Funds	\$ -	\$ 13,071	\$ 52,575	\$ 65,646
		2014			
		Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	Donor-Restricted Endowment Funds	\$ -	\$ 15,776	\$ 52,575	\$ 68,351
	Total Funds	\$ -	\$ 15,776	\$ 52,575	\$ 68,351

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**NOTE 10 ENDOWMENTS (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

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

	2015			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	\$ -	\$ 15,776	\$ 52,575	\$ 68,351
Investment Return:				
Net Appreciation (Realized and Unrealized)	-	(2,705)	-	(2,705)
Total Investment Return	-	(2,705)	-	(2,705)
Endowment Net Assets, End of Year	<u>\$ -</u>	<u>\$ 13,071</u>	<u>\$ 52,575</u>	<u>\$ 65,646</u>
	2014			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	\$ -	\$ -	\$ 52,575	\$ 52,575
Investment Return:				
Investment Income	-	1,118	-	1,118
Net Appreciation (Realized and Unrealized)	-	14,658	-	14,658
Total Investment Return	-	15,776	-	15,776
Endowment Net Assets, End of Year	<u>\$ -</u>	<u>\$ 15,776</u>	<u>\$ 52,575</u>	<u>\$ 68,351</u>

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

	2015	2014
Permanently Restricted Net Assets:		
The Portion of Perpetual Endowment Funds that is Required to be Retained Permanently Either by Explicit Donor Stipulation or by UPMIFA	<u>\$ 52,575</u>	<u>\$ 52,575</u>
Temporarily restricted Net Assets:		
The Portion of Perpetual Endowment Funds Subject to a Time Restriction Under UPMIFA:		
With Purpose Restrictions	<u>\$ 13,071</u>	<u>\$ 15,776</u>
Total Endowment Funds Classified as Temporarily Restricted Net Assets	<u>\$ 13,071</u>	<u>\$ 15,776</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. In accordance with GAAP, deficiencies of this nature are reported in unrestricted net assets and were \$-0- as of August 31, 2015 and 2014.

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**NOTE 10 ENDOWMENTS (CONTINUED)**

**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 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). 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 3% annually. Actual returns in any given year may vary from this amount.

**Strategies Employed for Achieving Objectives**

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

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Foundation has a policy of appropriating for distribution each year only that portion of the investment income accrued during the period that does not put the principal in jeopardy. In establishing this policy, the Foundation considered the long-term expected return on its endowment. 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 TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**

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

	2015	2014
Time Restrictions	\$ 241,392	\$ 252,252
Purpose Restrictions	24,800	116,057
Total Temporarily Restricted Net Assets	<u>\$ 266,192</u>	<u>\$ 368,309</u>

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

	2015	2014
Investments in Perpetuity, the Income from which is Expendable to Support Any Activities of the Foundation	<u>\$ 52,575</u>	<u>\$ 52,575</u>

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**NOTE 12 RETIREMENT PLAN**

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation after the first \$5,000 earned. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2015 and 2014 were \$10,669 and \$6,466, respectively.

**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 \$486,657 and \$373,634 were received from a single donor for the years ended August 31, 2015 and 2014, respectively, which represents 20% and 18% respectively, of total public support. In addition, grants were received from a single donor in the amount of \$250,000 and \$225,000, for the years ended August 31, 2015 and 2014, respectively. Should these contribution levels decrease, the Foundation may be adversely affected.

**NOTE 14 LITIGATION AND CLAIMS**

From time to time the Foundation may be involved in litigation and claims arising in the ordinary course of business. In the opinion of management, there are no such matters that will have a material adverse effect on the Foundation's financial position, change in net assets, or liquidity.

**NOTE 15 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through December 8, 2015, the date at which the financial statements were available to be issued.