

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**

**FINANCIAL STATEMENTS**

**YEARS ENDED AUGUST 31, 2017 AND 2016**

**MAKE-A-WISH FOUNDATION® OF NEBRASKA  
TABLE OF CONTENTS  
YEARS ENDED AUGUST 31, 2017 AND 2016**

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

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Nebraska  
Omaha, Nebraska

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Nebraska, which comprise the statements of financial position as of August 31, 2017 and 2016, 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 Nebraska

***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 Nebraska as of August 31, 2017 and 2016, and change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

St. Joseph, Missouri  
December 15, 2017

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2017 AND 2016**

	2017	2016
<b>ASSETS</b>		
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 3,128,961	\$ 2,983,663
Investments	4,351,864	3,648,356
Due from Related Entities	18,611	65,889
Contributions Receivable, Net	177,377	176,229
Inventory	57,289	63,595
Property and Equipment, Net	30,702	42,303
Total Assets	\$ 7,764,804	\$ 6,980,035
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 109,300	\$ 104,515
Accrued Pending Wish Costs - Cash	323,161	393,646
Accrued Pending Wish Costs - In-Kinds	289,082	305,458
Due to Related Entities	1,779	3,933
Total Liabilities	723,322	807,552
<b>NET ASSETS</b>		
Unrestricted	6,575,439	5,701,712
Temporarily Restricted	420,675	425,403
Permanently Restricted	45,368	45,368
Total Net Assets	7,041,482	6,172,483
Total Liabilities and Net Assets	\$ 7,764,804	\$ 6,980,035

See accompanying Notes to Financial Statements.

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

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	2016 Total
<b>REVENUES, GAINS AND OTHER SUPPORT</b>					
Public Support:					
Contributions, Net of Write-Offs	\$ 2,338,323	\$ 178,746	\$ -	\$ 2,517,069	\$ 2,084,386
Grants	214,057	10,000	-	224,057	150,740
Total Public Support	<u>2,552,380</u>	<u>188,746</u>	<u>-</u>	<u>2,741,126</u>	<u>2,235,126</u>
Internal Special Events	865,602	-	-	865,602	830,574
Less: Costs of Direct Benefits to Donors	(160,759)	-	-	(160,759)	(136,164)
Total Special Events	<u>704,843</u>	<u>-</u>	<u>-</u>	<u>704,843</u>	<u>694,410</u>
Investment Income, Net	323,098	7,797	-	330,895	223,919
Other Income	300	-	-	300	600
Net Assets Released from Restrictions	<u>201,271</u>	<u>(201,271)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>3,781,892</u>	<u>(4,728)</u>	<u>-</u>	<u>3,777,164</u>	<u>3,154,055</u>
<b>EXPENSES</b>					
Program Services:					
Wish Granting	2,439,820	-	-	2,439,820	2,249,127
Total Program Services	<u>2,439,820</u>	<u>-</u>	<u>-</u>	<u>2,439,820</u>	<u>2,249,127</u>
Support Services:					
Fundraising	263,759	-	-	263,759	274,463
Management and General	204,586	-	-	204,586	165,823
Total Support Services	<u>468,345</u>	<u>-</u>	<u>-</u>	<u>468,345</u>	<u>440,286</u>
Total Program and Support Services Expense	<u>2,908,165</u>	<u>-</u>	<u>-</u>	<u>2,908,165</u>	<u>2,689,413</u>
Change in Net Assets	873,727	(4,728)	-	868,999	464,642
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>5,701,712</u>	<u>425,403</u>	<u>45,368</u>	<u>6,172,483</u>	<u>5,707,841</u>
<b>NET ASSETS, END OF YEAR</b>	<u><u>\$ 6,575,439</u></u>	<u><u>\$ 420,675</u></u>	<u><u>\$ 45,368</u></u>	<u><u>\$ 7,041,482</u></u>	<u><u>\$ 6,172,483</u></u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2016**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
<b>REVENUES, GAINS AND OTHER SUPPORT</b>				
Public Support:				
Contributions, Net of Write-Offs	\$ 1,932,392	\$ 151,229	\$ 765	\$ 2,084,386
Grants	150,740	-	-	150,740
Total Public Support	<u>2,083,132</u>	<u>151,229</u>	<u>765</u>	<u>2,235,126</u>
Internal Special Events	780,574	50,000	-	830,574
Less: Costs of Direct Benefits to Donors	(136,164)	-	-	(136,164)
Total Special Events	<u>644,410</u>	<u>50,000</u>	<u>-</u>	<u>694,410</u>
Investment Income, Net	219,284	4,635	-	223,919
Other Income	600	-	-	600
Net Assets Released from Restrictions	<u>117,113</u>	<u>(117,113)</u>	<u>-</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>3,064,539</u>	<u>88,751</u>	<u>765</u>	<u>3,154,055</u>
<b>EXPENSES</b>				
Program Services:				
Wish Granting	2,249,127	-	-	2,249,127
Total Program Services	<u>2,249,127</u>	<u>-</u>	<u>-</u>	<u>2,249,127</u>
Support Services:				
Fundraising	274,463	-	-	274,463
Management and General	165,823	-	-	165,823
Total Support Services	<u>440,286</u>	<u>-</u>	<u>-</u>	<u>440,286</u>
Total Program and Support Services Expense	<u>2,689,413</u>	<u>-</u>	<u>-</u>	<u>2,689,413</u>
Change in Net Assets	375,126	88,751	765	464,642
<b>NET ASSETS, BEGINNING OF YEAR</b>	<u>5,326,586</u>	<u>336,652</u>	<u>44,603</u>	<u>5,707,841</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 5,701,712</u>	<u>\$ 425,403</u>	<u>\$ 45,368</u>	<u>\$ 6,172,483</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2017 AND 2016**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 868,999	\$ 464,642
Adjustments to reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation and Amortization	16,144	19,020
Net Realized and Unrealized (Gains) on Investments	(270,959)	(160,254)
Changes in Assets and Liabilities:		
Contributions Receivable	(1,148)	(74,083)
Due from Related Entities	47,278	(54,873)
Inventory	6,306	(6,319)
Accounts Payable and Accrued Expenses	4,785	31,195
Accrued Pending Wish Costs	(86,861)	224,687
Due to Related Entities	(2,154)	-
Net Cash Provided by Operating Activities	582,390	444,015
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(2,543,388)	(695,730)
Proceeds from Sales of Investments	2,110,839	431,081
Purchases of Property and Equipment	(4,543)	(7,440)
Net Cash (Used) by Investing Activities	(437,092)	(272,089)
 Net Increase in Cash and Cash Equivalents	145,298	171,926
 <b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	2,983,663	2,811,737
 <b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	\$ 3,128,961	\$ 2,983,663

See accompanying Notes to Financial Statements.



**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2017**

	Program Services	Support Services			Total
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,561,358	\$ -	\$ -	\$ -	\$ 1,561,358
Salaries, Taxes, and Benefits	489,612	159,812	112,571	272,383	761,995
Printing, Subscriptions, and Publications	22,902	7,622	6,756	14,378	37,280
Professional Fees	33,454	10,607	9,029	19,636	53,090
Rent and Utilities	92,518	26,848	24,969	51,817	144,335
Postage and Delivery	14,204	4,468	3,833	8,301	22,505
Travel	24,207	8,253	4,689	12,942	37,149
Meetings and Conferences	51,736	17,130	13,954	31,084	82,820
Office Supplies	16,788	4,873	4,529	9,402	26,190
Communications	20,159	5,850	5,442	11,292	31,451
Advertising and Media (Cash)	2,740	-	-	-	2,740
Repairs and Maintenance	2,018	586	545	1,131	3,149
Insurance	1,732	502	468	970	2,702
Membership Dues	2,952	857	797	1,654	4,606
National Partnership Dues	83,539	10,575	11,632	22,207	105,746
Miscellaneous	9,553	2,773	2,579	5,352	14,905
Depreciation and Amortization	10,348	3,003	2,793	5,796	16,144
Special Event Expenses	-	160,759	-	160,759	160,759
Investment Fees	-	-	26,902	26,902	26,902
	2,439,820	424,518	231,488	656,006	3,095,826
Less Expenses Netted Against Revenues on Statement of Activities:					
Special Event Expenses	-	(160,759)	-	(160,759)	(160,759)
Investment Fees	-	-	(26,902)	(26,902)	(26,902)
	-	-	(26,902)	(26,902)	(26,902)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 2,439,820	\$ 263,759	\$ 204,586	\$ 468,345	\$ 2,908,165

See accompanying Notes to Financial Statements.

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

	Program Services	Support Services			
	Wish Granting	Fundraising	Management and General	Total Support Services	Total
Direct Costs of Wishes	\$ 1,444,438	\$ -	\$ -	\$ -	\$ 1,444,438
Salaries, Taxes, and Benefits	461,904	157,700	95,937	253,637	715,541
Printing, Subscriptions, and Publications	12,555	10,783	3,004	13,787	26,342
Professional Fees	31,334	11,099	7,540	18,639	49,973
Rent and Utilities	80,100	27,163	19,026	46,189	126,289
Postage and Delivery	9,334	5,508	2,223	7,731	17,065
Travel	20,879	8,285	4,153	12,438	33,317
Meetings and Conferences	42,931	21,066	10,982	32,048	74,979
Office Supplies	10,090	3,425	2,403	5,828	15,918
Communications	13,306	4,513	3,169	7,682	20,988
Advertising and Media (Cash)	3,994	1,355	196	1,551	5,545
Repairs and Maintenance	1,746	592	416	1,008	2,754
Insurance	2,605	884	620	1,504	4,109
Membership Dues	2,171	736	517	1,253	3,424
National Partnership Dues	88,339	13,419	10,064	23,483	111,822
Miscellaneous	11,342	3,846	2,701	6,547	17,889
Depreciation and Amortization	12,059	4,089	2,872	6,961	19,020
Special Event Expenses	-	136,164	-	136,164	136,164
Investment Fees	-	-	26,620	26,620	26,620
	2,249,127	410,627	192,443	603,070	2,852,197
Less Expenses Netted Against Revenues on Statement of Activities:					
Special Event Expenses	-	(136,164)	-	(136,164)	(136,164)
Investment Fees	-	-	(26,620)	(26,620)	(26,620)
	-	-	(26,620)	(26,620)	(26,620)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 2,249,127	\$ 274,463	\$ 165,823	\$ 440,286	\$ 2,689,413

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of Nebraska (the Foundation) is a Nebraska 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. To be a Make-A-Wish chapter, the local chapter is obligated to comply with a chapter agreement with the National Organization and such guidelines, resolutions, and policies as may be adopted by the National Organization's board of directors.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with 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, 2017 and 2016 is \$358,341 and \$249,361, 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.

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

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

**Property and Equipment, Net**

Property and equipment having a unit cost 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 once the asset has been placed into service. Property and equipment under capital leases are stated at the present value of future minimum lease payments at the time of acquisition. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 5 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.

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

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

**Revenue Recognition**

Unconditional promises to give are recognized initially at fair value as contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. Amortization of the discounts is recorded as additional contributions revenue. Conditional promises are recorded as revenue once the conditions are substantially met. Contributions, grants, and bequests are recognized as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. When restrictions are met in the same period as the contribution is received, the Foundation records the contribution and the expense as unrestricted. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**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:

	August 31, 2017			
	Programs	Fundraising	Management and General	Total
Wish Related	\$ 709,241	\$ -	\$ -	\$ 709,241
Professional Services	2,613	758	705	4,076
Rent	-	-	5,498	5,498
Other	38,341	11,125	4,850	54,316
	\$ 750,195	\$ 11,883	\$ 11,053	773,131
Special Events				20,930
Total				\$ 794,061
	August 31, 2016			
	Programs	Fundraising	Management and General	Total
Wish Related	\$ 499,219	\$ -	\$ -	\$ 499,219
Professional Services	2,673	906	637	4,216
Rent	-	-	2,990	2,990
Other	24,814	8,687	2,920	36,421
	\$ 526,706	\$ 9,593	\$ 6,547	542,846
Special Events				26,588
Total				\$ 569,434

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.

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

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

**Income Taxes**

The Foundation is a not-for-profit organization exempt from federal income and Nebraska taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Section 77-2714 of the Nebraska Taxation of Non Profit Organization 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, 2017 and 2016. The Foundation files income tax returns in the U.S. federal jurisdiction, and applicable state jurisdictions.

**Functional Expenses**

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

**Wish Granting**

Activities performed by the Foundation in granting wishes to children with life-threatening medical conditions.

**Fundraising**

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations. During the fiscal years ended August 31, 2017 and 2016, the Foundation incurred joint costs for activities that include fundraising appeals (primarily direct mail campaigns and newsletters), which have been allocated as follows:

	2017	2016
Fundraising	\$ 2,666	\$ 2,450
Management and General	2,479	3,200
Wish Granting	9,187	7,472
Total	\$ 14,332	\$ 13,122

**Management and General**

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

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

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

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

**Management Estimates**

The preparation of financial statements in conformity with 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, the allocations incorporated into the statements of functional expenses, and whether an allowance for uncollectible contributions receivable is required.

**Reclassifications**

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

**NOTE 3 FAIR VALUE MEASUREMENTS**

**Fair Value of Financial Instruments**

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

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



**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

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

**Investments**

Overall Investment Objective

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

**Fair Value Hierarchy**

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

	Fair Value Measurements at August 31, 2017 Using			Total
	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 314,099	\$ -	\$ -	\$ 314,099
International Equity	312,284	-	-	312,284
Real Estate	62,649	-	-	62,649
Bonds	310,285	-	-	310,285
Exchange-Traded Funds:				
Domestic Equity	1,638,961	-	-	1,638,961
International Equity	380,669	-	-	380,669
Bonds	1,258,028	-	-	1,258,028
Equity Securities:				
U.S. Corporate Equity Securities	-	-	-	-
Foreign Equity Securities	-	-	-	-
Certificates of Deposit	74,889	-	-	74,889
Debt Securities:				
Corporate	-	-	-	-
Total Recurring	<u>\$ 4,351,864</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,351,864</u>

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

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

**Fair Value Hierarchy (Continued)**

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

	Fair Value Measurements at August 31, 2016 Using			Total
	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets:				
Recurring:				
Investments:				
Mutual Funds:				
Domestic Equity	\$ 192,717	\$ -	\$ -	\$ 192,717
International Equity	242,143	-	-	242,143
Real Estate	23,981	-	-	23,981
Asset Allocation	110,504	-	-	110,504
Bonds	180,682	-	-	180,682
Exchange-Traded Funds:				
Domestic Equity	1,207,937	-	-	1,207,937
International Equity	347,528	-	-	347,528
Bonds	666,119	-	-	666,119
Equity Securities:				
U.S. Corporate Equity Securities	294,877	-	-	294,877
Foreign Equity Securities	5,135	-	-	5,135
Certificates of Deposit	74,856	-	-	74,856
Debt Securities:				
Corporate	301,877	-	-	301,877
Total Recurring	\$ 3,648,356	\$ -	\$ -	\$ 3,648,356

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

	2017	2016
Interest and Dividend Income	\$ 86,838	\$ 90,285
Realized and Unrealized Gains (Losses), Net	270,959	160,254
Less Investment Expenses	(26,902)	(26,620)
Investment Income, Net	\$ 330,895	\$ 223,919

**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, 2017 and 2016.

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 5 TRANSACTIONS WITH RELATED ENTITIES**

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel and training scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the years ended August 31, 2017 and 2016, respectively, the Foundation received \$253,056 and \$315,295, respectively, 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 by the National Organization. Amounts totaling \$105,746 and \$119,370 were paid from the Foundation to the National Organization during the years ended August 31, 2017 and 2016, respectively.

Amounts due from and to related entities are as follows:

	<u>2017</u>	<u>2016</u>
Balance at August 31:		
Due from National Organization	\$ 18,611	\$ 65,889
Total Due from Related Entities	<u>\$ 18,611</u>	<u>\$ 65,889</u>
Due to Other Chapters	\$ 1,779	\$ 3,933
Total Due to Related Entities	<u>\$ 1,779</u>	<u>\$ 3,933</u>

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

During 2017 and 2016 the Foundation received contributions, both cash and in-kind, from board members totaling \$261,089 and \$261,452, respectively.

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 6 PROPERTY AND EQUIPMENT, NET**

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

	2017	2016
Computer Equipment and Software	\$ 61,616	\$ 64,961
Office Furniture	85,376	85,376
Other Equipment	39,431	36,004
Vehicles	29,989	29,989
	<u>216,412</u>	<u>216,330</u>
Less Accumulated Depreciation and Amortization	(185,710)	(174,027)
Property and Equipment, Net	<u>\$ 30,702</u>	<u>\$ 42,303</u>

Depreciation and amortization expense totaled \$16,144 and \$19,020 for the years ended August 31, 2017 and 2016, respectively.

**NOTE 7 ACCRUED PENDING WISH COSTS**

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

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

Estimated cash and in-kind costs are accrued as pending wish liability at year-end for all reportable pending wishes. The in-kind portion of the pending wish liability includes the estimated in-kind expenses that are expected to be incurred in fulfilling each wish even though the matching in-kind revenues are not recognized until the in-kind goods or services, or an unconditional promise for those in-kind goods or services, are received. Although not fully guaranteed, if the related expected in-kind revenue were recognized in the same fiscal period as the expected in-kind expense, total net assets at August 31, 2017 would be increased by \$289,082 resulting in adjusted net assets of \$7,330,564.

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 7 ACCRUED PENDING WISH COSTS (CONTINUED)**

The Foundation, as part of its estimate of accrued pending wish costs, also considers attrition on pending wish costs. An attrition rate is calculated by the Foundation by analyzing the trend of wishes that have been accrued for using the five criteria discussed above that have not been able to be completed within the past twelve months due to factors outside of the control of the chapter, such as the death of a child, the move of the family out of the chapter's territory, or loss of contact with the family. As of August 31, 2017 and 2016, the Foundation had 56 and 68 reportable pending wishes, respectively.

**NOTE 8 LEASES**

The Foundation is obligated under various operating leases for offices and equipment, which expire at various dates through June 30, 2020. Total rent expense for all operating leases for the years ended August 31, 2017 and 2016 totaled \$73,051 and \$68,498, respectively.

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

<u>Year Ending August 31:</u>	<u>Operating Leases</u>
2018	\$ 84,785
2019	86,366
2020	69,811
2021	2,338
Total Minimum Lease Payments	<u>\$ 243,300</u>

**NOTE 9 ENDOWMENTS**

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

The Foundation's endowment consists of two individual funds established to support any activities of the Foundation. 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 are reflected as investments on the statements of financial position.

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 9 ENDOWMENTS (CONTINUED)**

**Interpretation of Relevant Law**

The board of directors of the Foundation has interpreted the Nebraska 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.

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

	2017			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	\$ -	\$ 47,107	\$ 45,368	\$ 92,475
Board-Designated Endowment Funds	-	-	-	-
Total Funds	<u>\$ -</u>	<u>\$ 47,107</u>	<u>\$ 45,368</u>	<u>\$ 92,475</u>
	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor-Restricted Endowment Funds	\$ -	\$ 39,310	\$ 45,368	\$ 84,678
Board-Designated Endowment Funds	-	-	-	-
Total Funds	<u>\$ -</u>	<u>\$ 39,310</u>	<u>\$ 45,368</u>	<u>\$ 84,678</u>

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 9 ENDOWMENTS (CONTINUED)**

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

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment Net Assets, Beginning of Year	\$ -	\$ 39,310	\$ 45,368	\$ 84,678
Investment Return:				
Investment Income	-	1,016	-	1,016
Net Appreciation (Realized and Unrealized)	-	6,781	-	6,781
Total Investment Return	-	7,797	-	7,797
Contributions	-	-	-	-
Endowment Net Assets, End of Year	<u>\$ -</u>	<u>\$ 47,107</u>	<u>\$ 45,368</u>	<u>\$ 92,475</u>

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment Net Assets, Beginning of Year	\$ -	\$ 34,675	\$ 44,603	\$ 79,278
Investment Return:				
Investment Income	-	1,481	-	1,481
Net Appreciation (Realized and Unrealized)	-	3,154	-	3,154
Total Investment Return	-	4,635	-	4,635
Contributions	-	-	765	765
Endowment Net Assets, End of Year	<u>\$ -</u>	<u>\$ 39,310</u>	<u>\$ 45,368</u>	<u>\$ 84,678</u>

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

	2017	2016
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>\$ 45,368</u>	<u>\$ 45,368</u>
Temporarily restricted Net Assets:		
The Portion of Perpetual Endowment Funds Subject to a Purpose Restriction Under UPMIFA:	<u>\$ 47,107</u>	<u>\$ 39,310</u>

**MAKE-A-WISH FOUNDATION® OF NEBRASKA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2017 AND 2016**

**NOTE 9 ENDOWMENTS (CONTINUED)**

**Fund Deficiencies**

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

**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 5% annually. Actual returns in any given year may vary from this amount.

**Strategies Employed for Achieving Objectives**

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

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

The spending policy for Foundation investments is determined by the board of directors. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 2% 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 10 TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**

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

	2017	2016
Time Restrictions	\$ 196,618	\$ 170,470
Purpose Restrictions	224,057	254,933
Total Temporarily Restricted Net Assets	<u>\$ 420,675</u>	<u>\$ 425,403</u>



**MAKE-A-WISH FOUNDATION® OF NEBRASKA  
NOTES TO FINANCIAL STATEMENTS  
AUGUST 31, 2017 AND 2016**

**NOTE 10 TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS (CONTINUED)**

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

	2017	2016
Investments in Perpetuity, the Income from which is		
Expendable to Support Any Activities of the Foundation	\$ 45,368	\$ 45,368

**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 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 5% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2017 and 2016 were \$57,144 and \$34,413, respectively.

**NOTE 12 CONCENTRATIONS OF CREDIT RISK**

In-kind contributions totaling \$297,517 and \$202,441 were received from a single donor for the years ended August 31, 2017 and 2016, respectively, which represents 11% and 9%, respectively, of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

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. The balances on deposit are insured up to specified limits. Balances in excess of these limits totaled \$2,267,945 at August 31, 2017.

**NOTE 13 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through December 15, 2017, the date at which the financial statements were available to be issued.