

**MAKE-A-WISH FOUNDATION® OF
SOUTHERN FLORIDA**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2017 AND 2016

**MAKE-A-WISH FOUNDATION® OF SOUTHERN FLORIDA
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YEARS ENDED AUGUST 31, 2017 AND 2016**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Southern Florida
Fort Lauderdale, Florida

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Southern Florida (the Foundation), 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 audit 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 Southern Florida

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 Southern Florida as of August 31, 2017 and 2016, and the changes 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

Lakeland, Florida
December 13, 2017

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

	2017	2016
ASSETS		
Cash and Cash Equivalents	\$ 1,482,817	\$ 1,794,384
Investments	6,096,359	5,586,626
Due from Related Entities	203,642	120,466
Prepaid Expenses	531,654	320,601
Contributions Receivable, Net	11,804,926	7,234,283
Other Assets	32,778	39,103
Restricted Cash	1,117,470	315,970
Investments Held for Long-Term Purposes	1,367,858	771,126
Property and Equipment, Net	115,427	27,603
Total Assets	\$ 22,752,931	\$ 16,210,162
LIABILITIES AND NET ASSETS		
Accounts Payable and Accrued Expenses	\$ 420,039	\$ 559,262
Accrued Pending Wish Costs - Cash	1,744,118	1,657,327
Accrued Pending Wish Costs - In-Kinds	683,230	569,846
Due to Related Entities	38,493	73,827
Other Liabilities	475,204	315,875
Deferred Rent	55,536	93,572
Total Liabilities	3,416,620	3,269,709
COMMITMENTS AND CONTINGENCIES		
NET ASSETS		
Unrestricted	5,103,041	4,644,625
Temporarily Restricted	11,683,297	6,750,787
Permanently Restricted	2,549,973	1,545,041
Total Net Assets	19,336,311	12,940,453
Total Liabilities and Net Assets	\$ 22,752,931	\$ 16,210,162

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTHERN FLORIDA
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
OPERATING REVENUES					
Public Support:					
Contributions	\$ 3,770,790	\$ 489,213	\$ 1,004,932	\$ 5,264,935	\$ 6,163,822
Grants	449,948	369,801	-	819,749	577,793
Total Public Support	<u>4,220,738</u>	<u>859,014</u>	<u>1,004,932</u>	<u>6,084,684</u>	<u>6,741,615</u>
Internal Special Events	5,229,179	-	-	5,229,179	5,864,392
Less: Costs of Direct Benefits to Donors	(2,261,537)	-	-	(2,261,537)	(2,309,085)
Total Internal Special Events	<u>2,967,642</u>	<u>-</u>	<u>-</u>	<u>2,967,642</u>	<u>3,555,307</u>
Investment Income, Net	674,817	-	-	674,817	382,052
Other Operating Income	50,332	-	-	50,332	45,037
Net Assets Released from Restrictions	<u>842,417</u>	<u>(842,417)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Operating Revenues	<u>8,755,946</u>	<u>16,597</u>	<u>1,004,932</u>	<u>9,777,475</u>	<u>10,724,011</u>
OPERATING EXPENSES					
Program Services:					
Wish Granting	<u>6,048,884</u>	<u>-</u>	<u>-</u>	<u>6,048,884</u>	<u>6,144,565</u>
Support Services:					
Fundraising	1,639,540	-	-	1,639,540	1,734,650
Management and General	395,372	-	-	395,372	503,903
Total Support Services	<u>2,034,912</u>	<u>-</u>	<u>-</u>	<u>2,034,912</u>	<u>2,238,553</u>
Total Operating Expenses	<u>8,083,796</u>	<u>-</u>	<u>-</u>	<u>8,083,796</u>	<u>8,383,118</u>
CHANGE IN OPERATING NET ASSETS	672,150	16,597	1,004,932	1,693,679	2,340,893
NON-OPERATING ACTIVITY					
Contributions	-	4,912,616	-	4,912,616	5,471,778
Other Non-Operating Expenses	(213,734)	-	-	(213,734)	(331,674)
Loss for Uncollectable Promise to Give	-	-	-	-	(41,961)
Bad Debt Recovery	-	3,297	-	3,297	-
Total Non-Operating Activity	<u>(213,734)</u>	<u>4,915,913</u>	<u>-</u>	<u>4,702,179</u>	<u>5,098,143</u>
Change in Assets	458,416	4,932,510	1,004,932	6,395,858	7,439,036
NET ASSETS, BEGINNING OF YEAR	<u>4,644,625</u>	<u>6,750,787</u>	<u>1,545,041</u>	<u>12,940,453</u>	<u>5,501,417</u>
NET ASSETS, END OF YEAR	<u>\$ 5,103,041</u>	<u>\$ 11,683,297</u>	<u>\$ 2,549,973</u>	<u>\$ 19,336,311</u>	<u>\$ 12,940,453</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTHERN FLORIDA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2016

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
OPERATING REVENUES				
Public Support:				
Contributions	\$ 4,633,760	\$ 445,273	\$ 1,084,789	\$ 6,163,822
Grants	526,124	51,669	-	577,793
Total Public Support	<u>5,159,884</u>	<u>496,942</u>	<u>1,084,789</u>	<u>6,741,615</u>
Internal Special Events	5,860,844	3,548	-	5,864,392
Less: Costs of Direct Benefits to Donors	<u>(2,309,085)</u>	<u>-</u>	<u>-</u>	<u>(2,309,085)</u>
Total Internal Special Events	<u>3,551,759</u>	<u>3,548</u>	<u>-</u>	<u>3,555,307</u>
Investment Income, Net	382,052	-	-	382,052
Other Operating Income	45,037	-	-	45,037
Net Assets Released from Restrictions	<u>514,414</u>	<u>(514,414)</u>	<u>-</u>	<u>-</u>
Total Operating Revenues	<u>9,653,146</u>	<u>(13,924)</u>	<u>1,084,789</u>	<u>10,724,011</u>
OPERATING EXPENSES				
Program Services:				
Wish Granting	<u>6,144,565</u>	<u>-</u>	<u>-</u>	<u>6,144,565</u>
Support Services:				
Fundraising	1,734,650	-	-	1,734,650
Management and General	503,903	-	-	503,903
Total Support Services	<u>2,238,553</u>	<u>-</u>	<u>-</u>	<u>2,238,553</u>
Total Operating Expenses	<u>8,383,118</u>	<u>-</u>	<u>-</u>	<u>8,383,118</u>
CHANGE IN OPERATING NET ASSETS	1,270,028	(13,924)	1,084,789	2,340,893
NON-OPERATING ACTIVITY				
Contributions	-	5,471,778	-	5,471,778
Other Non-Operating Expenses	(331,674)	-	-	(331,674)
Loss for Uncollectable Promise to Give	-	(41,961)	-	(41,961)
Total Non-Operating Activity	<u>(331,674)</u>	<u>5,429,817</u>	<u>-</u>	<u>5,098,143</u>
Change in Net Assets	938,354	5,415,893	1,084,789	7,439,036
NET ASSETS, BEGINNING OF YEAR	<u>3,706,271</u>	<u>1,334,894</u>	<u>460,252</u>	<u>5,501,417</u>
NET ASSETS, END OF YEAR	<u>\$ 4,644,625</u>	<u>\$ 6,750,787</u>	<u>\$ 1,545,041</u>	<u>\$ 12,940,453</u>

See accompanying Notes to Financial Statements.

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

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 6,395,858	\$ 7,439,036
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	18,694	21,255
Bad Debt Expense (Recovery) and Other	(5,932)	57,034
Contributions Restricted for Long-Term Investment	(90,000)	(310,874)
Contributions Restricted for Investment in Property and Equipment	(901,500)	(315,970)
Net Realized and Unrealized (Gains) Losses on Investments	(587,278)	(270,225)
Contributed Investments	(258,586)	(57,708)
Change in Discount to Present Value of Contributions Receivable	585,098	989,616
Changes in Assets and Liabilities:		
Due from Related Entities	(83,176)	(52,712)
Prepaid Expenses	(211,053)	(128,439)
Contributions Receivable	(5,149,809)	(6,876,194)
Other Assets	6,325	2,948
Accounts Payable and Accrued Expenses	(139,223)	(15,475)
Accrued Pending Wish Costs	200,175	198,366
Due to Related Entities	(35,334)	36,656
Other Liabilities	159,329	62,240
Deferred Rent	(38,036)	(24,214)
Net Cash Provided (Used) by Operating Activities	(134,448)	755,340
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(2,451,078)	(3,421,396)
Proceeds from Sales of Investments	2,190,477	3,248,101
Purchases of Property and Equipment	(106,518)	(757)
Net Cash Used by Investing Activities	(367,119)	(174,052)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted for Long-Term Investment	90,000	310,874
Contributions Restricted for Investment in Property and Equipment	901,500	315,970
Net Cash Provided by Financing Activities	991,500	626,844
Net Increase in Cash, Cash Equivalents, and Restricted Cash	489,933	1,208,132
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, BEGINNING OF YEAR	2,110,354	902,222
CASH, CASH EQUIVALENTS, AND RESTRICTED CASH, END OF YEAR	\$ 2,600,287	\$ 2,110,354
SUPPLEMENTAL CASH FLOW INFORMATION:		
In-Kind Contributions	\$ 1,205,765	\$ 1,556,383

See accompanying Notes to Financial Statements.

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

	Program		Support Services		Total
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 4,319,252	\$ -	\$ -	\$ -	\$ 4,319,252
Salaries, Taxes, and Benefits	1,010,617	1,122,977	304,271	1,427,248	2,437,865
Printing, Subscriptions, and Publications	14,020	14,089	1,425	15,514	29,534
Professional Fees	32,684	84,257	1,294	85,551	118,235
Rent and Utilities	125,244	117,455	24,634	142,089	267,333
Postage and Delivery	7,040	21,708	1,622	23,330	30,370
Travel	8,448	26,417	708	27,125	35,573
Meetings and Conferences	44,725	86,238	924	87,162	131,887
Office Supplies	26,023	41,790	2,422	44,212	70,235
Communications	15,460	19,127	3,010	22,137	37,597
Advertising and Media (Cash)	695	2,635	-	2,635	3,330
Advertising and Media (In-Kind)	-	500	-	500	500
Repairs and Maintenance	35,597	37,082	6,761	43,843	79,440
Insurance	2,684	2,626	525	3,151	5,835
Bad Debt Recovery	-	(2,635)	-	(2,635)	(2,635)
Membership Dues	3,212	2,915	128	3,043	6,255
Grants and Scholarships	100,000	-	-	-	100,000
Volunteer Training	26,573	225	-	225	26,798
National Partnership Dues	254,579	32,225	35,448	67,673	322,252
Miscellaneous	13,573	21,915	9,958	31,873	45,446
Depreciation and Amortization	8,458	7,994	2,242	10,236	18,694
Special Event Expenses	-	2,261,537	-	2,261,537	2,261,537
Investment Fees	-	-	41,281	41,281	41,281
	<u>6,048,884</u>	<u>3,901,077</u>	<u>436,653</u>	<u>4,337,730</u>	<u>10,386,614</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:					
Special Event Expenses	-	(2,261,537)	-	(2,261,537)	(2,261,537)
Investment Fees	-	-	(41,281)	(41,281)	(41,281)
	<u>-</u>	<u>-</u>	<u>(41,281)</u>	<u>(41,281)</u>	<u>(41,281)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 6,048,884</u>	<u>\$ 1,639,540</u>	<u>\$ 395,372</u>	<u>\$ 2,034,912</u>	<u>\$ 8,083,796</u>

See accompanying Notes to Financial Statements.

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

	Program		Support Services		Total
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 4,629,547	\$ -	\$ -	\$ -	\$ 4,629,547
Salaries, Taxes, and Benefits	895,227	1,172,309	412,634	1,584,943	2,480,170
Printing, Subscriptions, and Publications	18,989	37,025	2,695	39,720	58,709
Professional Fees	23,145	80,204	8,212	88,416	111,561
Rent and Utilities	116,177	122,054	29,895	151,949	268,126
Postage and Delivery	9,838	19,926	2,250	22,176	32,014
Travel	10,234	56,022	1,096	57,118	67,352
Meetings and Conferences	10,999	73,721	839	74,560	85,559
Office Supplies	19,857	34,914	3,363	38,277	58,134
Communications	13,147	15,348	3,548	18,896	32,043
Advertising and Media (Cash)	806	8,967	-	8,967	9,773
Repairs and Maintenance	31,852	36,794	7,951	44,745	76,597
Insurance	2,568	2,875	673	3,548	6,116
Bad Debt Expense	-	15,073	-	15,073	15,073
Membership Dues	3,196	3,205	219	3,424	6,620
Grants and Scholarships	100,000	-	-	-	100,000
Volunteer Training	31,587	-	-	-	31,587
National Partnership Dues	212,063	32,212	24,159	56,371	268,434
Miscellaneous	5,423	15,235	3,790	19,025	24,448
Depreciation and Amortization	9,910	8,766	2,579	11,345	21,255
Special Event Expenses	-	2,309,085	-	2,309,085	2,309,085
Investment Fees	-	-	38,168	38,168	38,168
	<u>6,144,565</u>	<u>4,043,735</u>	<u>542,071</u>	<u>4,585,806</u>	<u>10,730,371</u>
Less: Expenses Netted Against Revenues on the Statement of Activities					
Special Event Expenses	-	(2,309,085)	-	(2,309,085)	(2,309,085)
Investment Fees	-	-	(38,168)	(38,168)	(38,168)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 6,144,565</u>	<u>\$ 1,734,650</u>	<u>\$ 503,903</u>	<u>\$ 2,238,553</u>	<u>\$ 8,383,118</u>

See accompanying Notes to Financial Statements.

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

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Southern Florida (the Foundation) is a Florida 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 auditing standards generally accepted in the United States of America (GAAP) applicable to not-for-profit entities.

Measure of Operations

In the statement of activities, the Foundation includes in its definition of operations all resources and expenses that are an integral part of its program and supporting activities. Nonoperating activity consists of contributions that are restricted by donors for the construction of capital assets and certain professional fees related to those fundraising activities.

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 \$327,197 and \$265,071, respectively, of money market mutual funds.

Restricted Cash

Restricted cash represents amounts that have been restricted by donors for investment in property and equipment. Total cash, cash equivalents, and restricted cash in the statement of cash flows consists of the following amounts from the statement of financial position at August 31:

	<u>2017</u>	<u>2016</u>
Cash and Cash Equivalents	\$ 1,482,817	\$ 1,794,384
Restricted Cash	<u>1,117,470</u>	<u>315,970</u>
Total Cash, Cash Equivalents, and Restricted Cash Shown in the Statement of Cash Flows	<u>\$ 2,600,287</u>	<u>\$ 2,110,354</u>

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 \$750 and a useful life of three or more years 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, 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.

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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (continued)

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 the measurement date.

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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 discount 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 statement 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 related 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, services, and materials that are reported in the statement of activities as follows at:

	August 31, 2017			
	Programs	Fundraising	Management and General	Total
Wish Related	\$ 1,192,298	\$ -	\$ -	\$ 1,192,298
Professional Services	3,430	434	478	4,342
Advertising and Media	-	500	-	500
Other	1,630	6,995	-	8,625
	<u>\$ 1,197,358</u>	<u>\$ 7,929</u>	<u>\$ 478</u>	1,205,765
Special Events				748,154
Property and Equipment (Capitalized)				16,355
Total				<u>\$ 1,970,274</u>

	August 31, 2016			
	Programs	Fundraising	Management and General	Total
Wish Related	\$ 1,526,350	\$ -	\$ -	\$ 1,526,350
Professional Services	-	-	2,875	2,875
Other	353	26,805	-	27,158
	<u>\$ 1,526,703</u>	<u>\$ 26,805</u>	<u>\$ 2,875</u>	1,556,383
Special Events				781,600
Total				<u>\$ 2,337,983</u>

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

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

Income Taxes

The Foundation is a not-for-profit organization exempt from federal income and Florida income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Section 12-A of the Florida statutes, Chapter 212. 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 state of Florida jurisdiction.

Functional Expenses

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

Wish Granting

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

Fundraising

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

MAKE-A-WISH FOUNDATION® OF SOUTHERN FLORIDA
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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses (continued)

Management and General

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

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

Deferred Rent

The Foundation accounts for rent expense evenly over the term of the lease using the straight-line method. The unamortized deferred rent was \$55,536 and \$93,572 at August 31, 2017 and 2016, respectively.

Management Estimates

The preparation of financial statements in accordance with auditing standards generally accepted in the United States of America requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. 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 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.

MAKE-A-WISH FOUNDATION® OF SOUTHERN FLORIDA
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NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value of Financial Instruments (continued)

The fair values of the financial instruments shown in the following table 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.

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 of directors or the Executive Committee, which oversees the Foundation's investment program in accordance with established guidelines.

Allocation of Investment Strategies

In addition to traditional stocks and fixed income securities, the Foundation may also hold shares or units in traditional institutional funds as well as in alternative investment funds involving hedged strategies, private equity, and real asset strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments, and are valued accordingly. Private equity funds employ buy-out and venture capital strategies and focus on investments in turn-around situations. Real asset funds generally hold interests in public real estate investment trusts (REITS) or commercial real estate through sole-member entities. Private equity and real asset strategies therefore often require the estimation of fair values by the fund managers in the absence of readily determinable market values. Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and the differences could be material. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. Moreover, the fair values of the Foundation's interests in shares or units of these funds, because of liquidity and capital commitment terms that vary depending on the specific fund or partnership agreement, may differ from the fair value of the funds' underlying net assets.

MAKE-A-WISH FOUNDATION® OF SOUTHERN FLORIDA
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NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

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:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Recurring:				
Money Market Funds	\$ 327,197	\$ -	\$ -	\$ 327,197
Investments:				
Equity Securities	\$ 4,361,941	\$ -	\$ -	\$ 4,361,941
Fixed Income Funds	569,699	386,876	-	956,575
Hedge Funds	1,039,984	-	-	1,039,984
Private Equity	-	-	166,823	166,823
Real Estate	393,331	-	-	393,331
Tangible Assets	545,563	-	-	545,563
Total Investments and Investments Held for Long-Term Purposes	<u>\$ 6,910,518</u>	<u>\$ 386,876</u>	<u>\$ 166,823</u>	<u>\$ 7,464,217</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, 2016:

	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Recurring:				
Money Market Funds	\$ 265,071	\$ -	\$ -	\$ 265,071
Investments:				
Equity Securities	\$ 3,432,971	\$ -	\$ -	\$ 3,432,971
Fixed Income Funds	759,762	337,321	-	1,097,083
Hedge Funds	892,918	-	-	892,918
Private Equity	-	-	155,910	155,910
Real Estate	352,778	-	-	352,778
Tangible Assets	426,092	-	-	426,092
Total Investments and Investments Held for Long-Term Purposes	<u>\$ 5,864,521</u>	<u>\$ 337,321</u>	<u>\$ 155,910</u>	<u>\$ 6,357,752</u>

MAKE-A-WISH FOUNDATION® OF SOUTHERN FLORIDA
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

For the valuation of debt securities at August 31, 2017 and 2016, the Foundation used significant other observable inputs, particularly dealer market prices for comparable investments as of the valuation date (Level 2).

For the valuation of investment in the limited liability corporation at August 31, 2016, the Foundation used significant unobservable inputs including information from owner-to-owner transactions and the Foundation's own assumptions (Level 3). The Foundation sold their interest in the Limited Liability Corporation during 2016.

The Foundation has an investment in a private equity fund that was valued at \$166,823 and \$155,910 at August 31, 2017 and 2016, respectively. The total original commitment by the foundation in January 2012 to this private equity fund was \$200,000. In January 2012, the general partner of the fund reduced the same month by 2% or \$4,000. In July 2017 the general partner of the fund made a capital distribution of 2.8% or \$5,500. As of August 31, 2017 and 2016, the Foundation has invested \$112,500 and \$118,000 in the fund, leaving an unfunded commitment of \$78,000 and \$78,000, respectively.

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, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Beginning Balance	\$ 155,910	\$ 230,305
Total Gains or Losses (Realized/Unrealized)		
Included in Changes in Net Assets	16,413	19,230
Purchases	-	21,770
Issues	(5,500)	-
Sales	-	(115,395)
Ending Balance	<u>\$ 166,823</u>	<u>\$ 155,910</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>\$ 16,413</u>	<u>\$ 19,230</u>

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

	<u>2017</u>	<u>2016</u>
Interest and Dividend Income	\$ 128,820	\$ 149,995
Realized and Unrealized Gains, Net	587,278	270,225
Less: Investment Expenses	(41,281)	(38,168)
Investment Income, Net	<u>\$ 674,817</u>	<u>\$ 382,052</u>

MAKE-A-WISH FOUNDATION® OF SOUTHERN FLORIDA
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NOTE 4 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at rates ranging from 0.92% to 2.47% at August 31, 2017 and 2016. The following is a summary of the Foundation's contributions receivable at August 31:

	<u>2017</u>	<u>2016</u>
Total Amounts Due in:		
One Year	\$ 2,224,116	\$ 1,213,106
Two to Five Years	6,413,652	2,788,984
More than Five Years	4,939,000	4,424,000
Gross Contributions Receivable	<u>13,576,768</u>	<u>8,426,090</u>
Less: Allowance for Doubtful Accounts	(157,961)	(163,024)
Less: Discount to Present Value	<u>(1,613,881)</u>	<u>(1,028,783)</u>
Contributions Receivable, Net	<u>\$ 11,804,926</u>	<u>\$ 7,234,283</u>

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, the Foundation received \$1,078,686 and \$1,166,164, respectively, from these national revenue streams.

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 \$100,000 during each of the ended years August 31, 2017 and 2016.

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 \$322,252 and \$323,230 were paid from the Foundation to the National Organization during the years ended August 31, 2017 and 2016, respectively.

Chapters who assist with the organization and granting of wishes from other chapters are paid a "fee for service" called the wish assist fee. Under this program, the originating chapter agrees to pay a fee to the chapter of the wish destination to assist with any planning, booking, and facilitating of the wish for the home chapter. Under this program, the Foundation received \$43,022 and \$30,172 for the years ended August 31, 2017 and 2016, respectively, which is recorded in the accompanying statement of activities as other income.

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

NOTE 5 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

Amounts due from and to relate entities are as follows:

	<u>2017</u>	<u>2016</u>
Balance at August 31:		
Due from National Organization	\$ 114,718	\$ 99,316
Due from Other Chapters	88,924	21,150
Total Due from Related Entities	<u>\$ 203,642</u>	<u>\$ 120,466</u>
Due to National Organization	\$ 1,884	\$ 42,485
Due to Other Chapters	36,609	31,342
Total Due to Related Entities	<u>\$ 38,493</u>	<u>\$ 73,827</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 \$5,624,610 and \$7,325,932, respectively. In 2017 and 2016, undiscounted amounts due from board members totaled \$9,402,083 and \$6,157,250, respectively, and are included in contributions receivable in the accompanying statements of financial position. In 2017 and 2016, undiscounted amounts due from chapter staff members totaled \$74,083 and \$95,167, respectively, and are included in contributions receivable in the accompanying statements of financial position.

NOTE 6 PROPERTY AND EQUIPMENT, NET

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

	<u>2017</u>	<u>2016</u>
Computer Equipment and Software	\$ 140,245	133,728
Office Furniture	67,918	67,918
Other Equipment	21,098	21,098
	<u>229,261</u>	<u>222,744</u>
Less: Accumulated Depreciation and Amortization	(213,834)	(195,141)
Construction in Progress	100,000	-
Property and Equipment, Net	<u>\$ 115,427</u>	<u>\$ 27,603</u>

Depreciation and amortization expense totaled \$18,694 and \$21,255 for the years ended August 31, 2017 and 2016, respectively.

MAKE-A-WISH FOUNDATION® OF SOUTHERN FLORIDA
NOTES TO FINANCIAL STATEMENTS
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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 \$480,400 resulting in adjusted net assets of \$19,787,420.

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 245 and 250 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 October 2022. Certain office lease contains two successive renewal options each for an additional five-year period. Total rent expense for all operating leases for the years ended August 31, 2017 and 2016, totaled \$243,818 and \$243,181, respectively.

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

NOTE 8 LEASES (CONTINUED)

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

<u>Year Ending August 31,</u>	
2018	\$ 302,289
2019	39,991
2020	5,482
2021	5,756
2022	1,003
Total Minimum Lease Payments	<u>\$ 354,521</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 sixteen individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets, both donor-restricted and board-designated, are reflected as investments held for long term purposes on the statement of financial position.

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted Florida 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.

MAKE-A-WISH FOUNDATION® OF SOUTHERN FLORIDA
NOTES TO FINANCIAL STATEMENTS
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NOTE 9 ENDOWMENTS (CONTINUED)

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, and
7. The investment policies of the Foundation.

Endowment net asset composition by type of fund as of August 31, 2017 and 2016, is as follows:

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-Restricted Endowment Funds	\$ -	\$ -	\$ 1,367,858	\$ 1,367,858
Board-Designated Endowment Funds	1,193,390	-	-	1,193,390
Total Funds	\$ 1,193,390	\$ -	\$ 1,367,858	\$ 2,561,248

	2016			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Donor-Restricted Endowment Funds	\$ -	\$ -	\$ 771,126	\$ 771,126
Board-Designated Endowment Funds	1,043,172	-	-	1,043,172
Total Funds	\$ 1,043,172	\$ -	\$ 771,126	\$ 1,814,298

MAKE-A-WISH FOUNDATION® OF SOUTHERN FLORIDA
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NOTE 9 ENDOWMENTS (CONTINUED)

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

	2017			Total
	Unrestricted	Temporarily Restricted	Permanently Restricted	
Endowment Net Assets, Beginning of Year	\$ 1,043,172	\$ -	\$ 771,126	\$ 1,814,298
Investment Return:				
Investment Income	50,218	111,223	-	161,441
Total Investment Return	50,218	111,223	-	161,441
Contributions	120,000	-	596,732	716,732
Appropriation of Endowment Assets for Expenditure	(20,000)	(111,223)	-	(131,223)
Endowment Net Assets, End of Year	<u>\$ 1,193,390</u>	<u>\$ -</u>	<u>\$ 1,367,858</u>	<u>\$ 2,561,248</u>
	2016			
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment Net Assets, Beginning of Year	\$ 859,568	\$ -	\$ 460,252	\$ 1,319,820
Investment Return:				
Investment Income	33,604	40,878	-	74,482
Total Investment Return	33,604	40,878	-	74,482
Contributions	170,000	-	310,874	480,874
Appropriation of Endowment Assets for Expenditure	(20,000)	(40,878)	-	(60,878)
Endowment Net Assets, End of Year	<u>\$ 1,043,172</u>	<u>\$ -</u>	<u>\$ 771,126</u>	<u>\$ 1,814,298</u>

Fund Deficiencies

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

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 8.25% annually. Actual returns in any given years may vary from this amount.

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

NOTE 9 ENDOWMENTS (CONTINUED)

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of spending all earnings on permanently restricted endowments. All amounts were considered appropriated based on this policy. 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 returns.

NOTE 10 TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS

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

	<u>2017</u>	<u>2016</u>
General Time Restrictions	\$ 1,373,933	\$ 1,279,040
Capital Campaign Pledges to be Received in Future Years	9,191,894	5,155,777
Capital Campaign Restricted Cash	1,117,470	315,970
Total Temporarily Restricted Net Assets	<u>\$ 11,683,297</u>	<u>\$ 6,750,787</u>

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

	<u>2017</u>	<u>2016</u>
Investments in Perpetuity, the Income from which is		
Expendable to Support any Activities of the Foundation	\$ 1,367,858	\$ 771,126
Endowment Contributions Receivable	1,182,115	773,915
	<u>\$ 2,549,973</u>	<u>\$ 1,545,041</u>

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 Internal Revenue Code (IRC) limitations. The Foundation matches employee contributions up to 4% of the employee's salary and incorporates a five-year graded vesting schedule. Foundation contributions to the Plan for the years ended August 31, 2017 and 2016, were \$55,040 and \$61,775, respectively.

MAKE-A-WISH FOUNDATION® OF SOUTHERN FLORIDA
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NOTE 12 CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash, cash equivalents, and investments. The Foundation places its cash and investments with high credit quality financial institutions and generally limits the amount of credit exposure not to exceed the FDIC insurance coverage limit of \$250,000. From time to time throughout the year, the Foundation's cash balances may exceed the amount of the FDIC insurance coverage.

In-kind contributions totaling \$699,187 and \$848,505, were received from a single donor for the years ended August 31, 2017 and 2016, respectively, which represents 12% and 13%, respectively, of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

During the years ended August 31, 2017 and 2016, the Foundation received approximately 30% and 33%, respectively, of its total operating revenue from fundraising. The InterContinental® Miami Make-A-Wish Ball fundraising event provided approximately 57% and 58%, respectively, of total fundraising revenue during the years ended August 31, 2017 and 2016.

NOTE 13 LITIGATION AND CLAIMS

The Foundation is periodically involved in litigation and claims arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Foundation's financial position, change in net assets, or liquidity.

NOTE 14 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through December 13, 2017, the date at which the financial statements were available to be issued.

Effective September 1, 2017, the National Organization realigned the Foundation's territory to include nine counties previously assigned to Central and Northern Florida. Southern Florida assumes future lease commitments of approximately \$215,000 over the next four years in connection with this realignment.

Subsequent to year-end on September 1, the Foundation obtained an unsecured line of credit with a financial institution with a borrowing limit of up to \$1,000,000, bearing interest at LIBOR plus 2.42% and expiring on September 1, 2019.