

**MAKE-A-WISH FOUNDATION® OF  
THE HUDSON VALLEY**

**FINANCIAL STATEMENTS**

**YEAR ENDED AUGUST 31, 2019**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of the Hudson Valley  
Tarrytown, New York

We have audited the accompanying financial statements of Make-A-Wish Foundation® of the Hudson Valley, which comprise the statement of financial position as of August 31, 2019 and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Board of Directors  
Make-A-Wish Foundation® of the Hudson Valley

***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 the Hudson Valley as of August 31, 2019 and change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matters***

As discussed in Note 2 to the financial statements, Make-A-Wish Foundation® of the Hudson Valley adopted a new accounting principle during the year ended August 31, 2019: Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Make-A-Wish Foundation® of the Hudson Valley also changed an accounting policy with the elimination of the pending wish liability from the Foundation's statement of financial position. Our opinion is not modified with respect to these matters.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Phoenix, Arizona  
January 8, 2020

**MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY**  
**STATEMENT OF FINANCIAL POSITION**  
**AUGUST 31, 2019**

**ASSETS**

Cash and Cash Equivalents	\$	117,277
Investments		1,597,759
Due from Related Entities		45,982
Prepaid Expenses		32,548
Contributions Receivable, Net		101,531
Other Assets		8,884
Investments Held for Long-Term Purposes		4,303
Property and Equipment, Net		<u>58,685</u>
Total Assets	\$	<u><u>1,966,969</u></u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable and Accrued Expenses	\$	78,597
Due to Related Entities		682
Other Liabilities		20,376
Capital Lease Obligations		<u>16,061</u>
Total Liabilities		<u><u>115,716</u></u>

**NET ASSETS**

Without Donor Restrictions		1,737,419
With Donor Restrictions		<u>113,834</u>
Total Net Assets		<u><u>1,851,253</u></u>
Total Liabilities and Net Assets	\$	<u><u>1,966,969</u></u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2019**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions	\$ 1,934,206	\$ 101,531	\$ 2,035,737
Grants	82,570	-	82,570
Total Public Support	2,016,776	101,531	2,118,307
Internal Special Events	687,396	-	687,396
Less Costs of Direct Benefits to Donors	(226,187)	-	(226,187)
Total Internal Special Events	461,209	-	461,209
Investment Income	60,373	-	60,373
Other Income	150	-	150
Net Assets Released from Restrictions	64,522	(64,522)	-
Total Revenues, Gains, and Other Support	2,603,030	37,009	2,640,039
<b>EXPENSES</b>			
Program Services:			
Wish Granting	2,033,196	-	2,033,196
Total Program Services	2,033,196	-	2,033,196
Support Services:			
Fundraising	426,624	-	426,624
Management and General	324,500	-	324,500
Total Support Services	751,124	-	751,124
Total Expenses	2,784,320	-	2,784,320
<b>CHANGE IN NET ASSETS</b>	(181,290)	37,009	(144,281)
Net Assets - Beginning - Before Change in Accounting Policy	1,050,044	76,825	1,126,869
Change in Accounting Policy	868,665	-	868,665
Net Assets - Beginning of Year - As Adjusted	1,918,709	76,825	1,995,534
<b>NET ASSETS - END OF YEAR</b>	\$ 1,737,419	\$ 113,834	\$ 1,851,253

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2019**

	Program	Support Services			Direct	Total
	Services			Total		
	Wish	Fundraising	Management	Support	Donor Benefits	
	Granting		and General	Services		
Direct Costs of Wishes	\$ 1,313,479	\$ -	\$ -	\$ -	\$ -	\$ 1,313,479
Salaries, Taxes, and Benefits	473,337	283,989	189,334	473,323	-	946,660
Printing, Subscriptions, and Publications	18,078	20,680	3,281	23,961	-	42,039
Professional Fees	488	5,678	52,810	58,488	-	58,976
Rent and Utilities	56,846	34,107	22,738	56,845	-	113,691
Postage and Delivery	3,593	2,601	1,051	3,652	-	7,245
Travel	4,829	6,549	9,293	15,842	-	20,671
Meetings and Conferences	9,886	18,215	12,347	30,562	-	40,448
Office Supplies	8,413	7,660	5,452	13,112	-	21,525
Communications	3,904	1,955	1,303	3,258	-	7,162
Advertising and Media (In-Kind)	-	190	-	190	-	190
Repairs and Maintenance	3,198	1,693	1,129	2,822	-	6,020
Membership Dues	760	456	2,001	2,457	-	3,217
National Partnership Dues	112,528	15,668	14,244	29,912	-	142,440
Miscellaneous	11,377	19,695	4,525	24,220	-	35,597
Depreciation and Amortization	12,480	7,488	4,992	12,480	-	24,960
Special Event - Direct Donor Benefits	-	-	-	-	226,187	226,187
Total	<u>2,033,196</u>	<u>426,624</u>	<u>324,500</u>	<u>751,124</u>	<u>226,187</u>	<u>3,010,507</u>
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(226,187)</u>	<u>(226,187)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 2,033,196</u>	<u>\$ 426,624</u>	<u>\$ 324,500</u>	<u>\$ 751,124</u>	<u>\$ -</u>	<u>\$ 2,784,320</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED AUGUST 31, 2019**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ (144,281)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Depreciation and Amortization	24,960
Net Realized and Unrealized Gains on Investments	(26,205)
(Increase) Decrease in Assets:	
Contributions Receivable	(22,009)
Due from Related Entities	(969)
Prepaid Expenses	(22,064)
Other Assets	172
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	(58,106)
Due to Related Entities	(9,022)
Other Liabilities	(6,543)
Net Cash Used by Operating Activities	<u>(264,067)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of Investments	(336,202)
Proceeds from Sales of Investments	403,078
Purchases of Property and Equipment	(26,003)
Net Cash Provided by Investing Activities	<u>40,873</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Principal Payments on Capital Lease Obligations	<u>(5,596)</u>
Net Cash Used by Financing Activities	<u>(5,596)</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS**

(228,790)

Cash and Cash Equivalents - Beginning of Year

346,067

**CASH AND CASH EQUIVALENTS - END OF YEAR**

\$ 117,277

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash Paid for Interest Expense	<u><u>\$ 5,159</u></u>
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See accompanying Notes to Financial Statements.



**MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of the Hudson Valley (the Foundation) is a New York state nonprofit corporation, organized for the purpose of creating life changing wishes for children with critical illnesses. The Foundation is an independently operating chapter of Make-A-Wish Foundation of America (National Organization), which operates to develop and implement national programs in public relations and fundraising for the benefit of all local chapters. In addition, the local chapter is obligated to comply with a chapter agreement with the National Organization and such guidelines, resolutions, and policies as may be adopted by the National Organization's board of directors.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) applicable to nonprofit entities.

**Cash and Cash Equivalents**

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

**Investments**

Investments are recorded at fair value. Investment income, including gains and losses on investments, is recorded as increases or decreases in net assets without donor restriction 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 \$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. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the lease.

**MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

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

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

The costs of maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

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

**Fair Value Measurements**

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

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

*Level 1* – Unadjusted quoted prices in active markets for identical assets (or liabilities) that the reporting entity has the ability to access at the measurement date.

*Level 2* – Prices for a similar asset (or liability), other than quoted prices included in Level 1 inputs, that are observable for the asset (or liability), either directly or indirectly. If the asset (or liability) has a specified term, a Level 2 input must be observable for substantially the full term of the asset (or liability).

*Level 3* – Unobservable inputs for the asset (or liability) used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset (or liability) at measurement date.

**MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

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

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restriction when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as Net Assets Released from Restrictions.

**Revenue Recognition**

Unconditional promises to give are recognized initially at fair value as contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. Amortization of the discounts is recorded as additional contributions revenue. Conditional promises are recorded as revenue once the conditions are substantially met. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

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

**Revenue Recognition (Continued)**

The Foundation received in-kind contributions of assets, services, and materials that are reported in the statement of activities as follows at August 31 2019:

	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Program and Support Services				
Expenses:				
Wish Related	\$ 626,954	\$ -	\$ -	\$ 626,954
Professional Services	100	60	40	200
Advertising and Media	-	190	-	190
Other	49	29	19	97
Total Program and Support Service Expenses	<u>\$ 627,103</u>	<u>\$ 279</u>	<u>\$ 59</u>	627,441
Special Events				2,800
Total				<u>\$ 630,241</u>

An internal special event is a fund-raising event coordinated and staffed by Foundation personnel rather than a third-party support group or organization. It is designed to attract people for the purpose of raising mission awareness, for increasing funding from existing donors, and the cultivation of future donors. Internal special event in-kind amounts are donated items recorded at fair value that are used in facilitating the event. Examples of such donated items are generally food, beverage, facility costs, and auction items.

Advertising and media is used to help the Foundation communicate its message or mission and includes fund raising materials, informational material, or advertising, and may be in the form of an audio or video tape of a public service announcement, a layout for a newspaper, media time or space for public service announcements, or other purposes.

Donated advertising and media is reported as contribution revenue and fundraising expenses 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 nonprofit organization exempt from federal income and New York state income taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3) and the New York State tax code. However, the Foundation remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

Management believes that no uncertain tax positions exist for the Foundation at August 31, 2019. The Foundation files income tax returns in the U.S. federal jurisdiction, and state jurisdictions.

**MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

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

**Functional Expenses**

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

**Wish Granting**

Activities performed by the Foundation that grant wishes to children with critical illnesses.

**Fundraising**

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations. During the fiscal year ended August 31, 2019, the Foundation incurred no significant joint costs for activities that include fundraising appeals.

**Management and General**

All costs not identifiable with 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.

**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 contributions receivable and in-kind contributions, accrued pending wish costs, net of attrition, allocation of functional expenses and whether an allowance for uncollectible contributions receivable is required.

**Change in Accounting Principle – Adoption of ASU 2016-14**

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The adoption of this standard did not impact the Foundation's net assets as of September 1, 2018.

**MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

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

**Change in Accounting Policy – Pending Wish Liability**

Through the fiscal year ending August 31, 2018, the Foundation accrued for estimated costs of reportable pending wishes when five certain, measurable wish criteria were met. This accrual did not represent a legally binding liability but was considered a moral obligation to the child by the Foundation arising when the five criteria were met. Given the changes to the wish granting environment that have occurred in recent years, the Foundation determined that the calculation was no longer representative of the future obligations. The Foundation remains committed to its mission. Please see the commitment footnote for details about future wish granting obligations. As a result of this change in accounting policy, net assets without restrictions as of September 1, 2018 have increased by \$868,665.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

The Foundation monitors liquidity regularly through the monthly financial package provided to the board and through the enterprise-wide benchmarks of excellence. Holding 6 months to 24 months of liquidity is considered excellent based off the enterprise-wide published scale.

Total Financial Assets	\$	1,866,852
Donor Imposed Restrictions:		
Restricted Funds		(109,531)
Endowments		(4,303)
Net Financial Assets after Donor-Imposed Restrictions		1,753,018
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$	1,753,018

The Foundation also has a \$250,000 line of credit available that it can draw on to meet operational needs (Note 9).

**NOTE 4 FAIR VALUE MEASUREMENTS**

**Fair Value of Financial Instruments**

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

**MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

**NOTE 4 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, 2019 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

**Investments**

**Overall Investment Objective**

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

**Allocation of Investment Strategies**

In addition to traditional stocks and fixed income securities, the Foundation may also hold shares or units in traditional institutional funds as well as in alternative investment funds involving hedged strategies, private equity, and real asset strategies.

**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, 2019:

	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Recurring:				
Investments:				
Mutual Funds	\$ 548,370	\$ -	\$ -	\$ 548,370
Exchange Traded Funds	1,024,751	-	-	1,024,751
Cash and Cash Equivalents	-	-	-	28,941
Total Recurring	<u>\$ 1,573,121</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,602,062</u>

**MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

**NOTE 5 CONTRIBUTIONS RECEIVABLE**

The Foundation's contributions receivable as of August 31, 2019 were \$101,531. One donor represents 100% of the balance. All contributions receivable are due within the next 12 months. Management determined that all receivables are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at August 31, 2019.

**NOTE 6 TRANSACTIONS WITH RELATED ENTITIES**

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel, and training scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the year ended August 31, 2019, the Foundation received \$513,434 from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for annual dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Office. Amounts totaling \$191,204 were paid from the Foundation to the National Organization during the year ended August 31, 2019.

Amounts due from and to related entities are as follows as of August 31, 2019:

Balance at August 31:

Due from National Organization	\$ 45,982
Total Due from Related Entities	<u>\$ 45,982</u>
Due to National Organization	\$ 682
Total Due to Related Entities	<u>\$ 682</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 2019 the Foundation received contributions, both cash and in-kind, from board members totaling \$114,008.



**MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2019**

**NOTE 7 PROPERTY AND EQUIPMENT, NET**

Property and equipment as of August 31, 2019 consists of the following:

Computer Equipment and Software	\$ 144,930
Website and Website Templates	13,146
Office Furniture	14,945
Other Equipment	83,267
Leasehold Improvements	39,992
Total	<u>296,280</u>
Less: Accumulated Depreciation and Amortization	<u>(237,595)</u>
Property and Equipment, Net	<u><u>\$ 58,685</u></u>

Depreciation and amortization expense totaled \$24,960 for the year ended August 31, 2019.

**NOTE 8 LEASES**

The Foundation is obligated under various capital and operating leases for offices and equipment, which expire at various dates through April 30, 2022. As of August 31, 2019, the cost of leased property and equipment under capital leases was \$28,779 and accumulated depreciation was \$13,430. Total rent expense for all operating leases for the year ended August 31, 2019 totaled \$112,017.

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

<u>Year Ending August 31:</u>	<u>Operating Leases</u>	<u>Capital Leases</u>
2020	\$ 119,908	\$ 6,360
2021	101,583	6,360
2022	-	4,240
Total Minimum Lease Payments	<u>\$ 221,491</u>	<u>16,960</u>
Less Amounts Representing Interest		<u>(899)</u>
Present Value of Net Minimum Lease Payments		<u><u>\$ 16,061</u></u>

**NOTE 9 LINE OF CREDIT**

The Foundation has a \$250,000 line of credit available with interest at the Bank's prime rate plus 1.00% per annum, or the floor rate of 4.50% (6.25% at August 31, 2019). The line of credit was signed on February 4, 2019 and is secured by the assets of the Foundation. The line of credit was utilized during fiscal 2019, and had an outstanding balance of \$851 as of August 31, 2019.

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**NOTE 10 NET ASSETS**

**Net Assets With Donor Restrictions**

Net assets with donor restrictions are available for the following purposes or periods as of August 31, 2019:

Subject to Expenditure for Specified Purpose:	
Wish Granting	\$ 101,531
Salary Grant	8,000
Total	109,531
Endowments:	
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:	
Investments in Perpetuity, the Income from Which is Expendable to Support any Activities of the Foundation	4,303
Total	4,303
Total Donor Restricted Net Assets	\$ 113,834

**NOTE 11 ENDOWMENTS**

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

The Foundation's endowment consists of one donor-restricted fund. 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 the New York UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as donor restricted net assets: (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulated earnings on the donor-restricted endowment funds. The accumulated earnings on the endowment funds remain treated as donor restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA.

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**NOTE 11 ENDOWMENTS (CONTINUED)**

**Interpretation of Relevant Law (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
7. The investment policies of the Foundation

Endowment fund composition by type of fund as of August 31, 2019 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 4,303	\$ 4,303
Total Funds	\$ -	\$ 4,303	\$ 4,303

There were no changes in endowment net assets for the year ended August 31, 2019.

**NOTE 12 RETIREMENT PLAN**

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of one year of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan for the year ended August 31, 2019 were \$16,417.

**NOTE 13 CONCENTRATIONS OF CREDIT RISK**

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

In-kind contributions totaling \$313,010 were received from a single donor for the year ended August 31, 2019, respectively, which represents 15% of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

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**NOTE 14 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 15 COMMITMENTS**

The goal of the Foundation is to grant the wish of every eligible child. During the fiscal year ending August 31, 2019, the Foundation granted 125 wishes. As of the end of the year, there were approximately 150 wish children who are eligible for a wish. The average cost of a wish for the fiscal year was \$6,486 in cash and \$5,296 in in-kind for a total cost of \$11,782.

**NOTE 16 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through January 8, 2020, the date at which the financial statements were available to be issued.

