

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

**FINANCIAL STATEMENTS**

**YEAR ENDED AUGUST 31, 2019**

DRAFT

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**DRAFT**



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Colorado  
Greenwood Village, Colorado

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Colorado, which comprise the statement of financial position as of August 31, 2019 and the related statement of activities, functional expenses, and cash flows for the year 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 audit to obtain reasonable assurance about whether the financial statements are free of 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.

**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 Colorado as of August 31, 2019 and change in its net assets and its cash flows for the year 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 Colorado 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 Colorado 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**

Minneapolis, Minnesota  
January 16, 2020

**MAKE-A-WISH FOUNDATION® OF COLORADO**  
**STATEMENT OF FINANCIAL POSITION**  
**AUGUST 31, 2019**

**ASSETS**

Cash and Cash Equivalents	\$	464,840
Investments		2,715,476
Due from Related Entities		92,011
Prepaid Expenses		211,369
Contributions Receivable, Net		424,984
Other Assets		31,829
Split-Interest Agreements		27,665
Property and Equipment, Net		<u>32,356</u>
Total Assets	\$	<u><u>4,000,530</u></u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable and Accrued Expenses	\$	304,458
Due to Related Entities		28,814
Other Liabilities		34,000
Deferred Rent		9,862
Capital Lease Obligations		<u>24,085</u>
Total Liabilities		401,219

**NET ASSETS**

Without Donor Restrictions		3,227,580
With Donor Restrictions		<u>371,731</u>
Total Net Assets		<u><u>3,599,311</u></u>
Total Liabilities and Net Assets	\$	<u><u>4,000,530</u></u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF COLORADO**  
**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	\$ 5,259,598	\$ 341,096	\$ 5,600,694
Grants	163,168	-	163,168
Total Public Support	5,422,766	341,096	5,763,862
Internal Special Events	717,481	-	717,481
Less Costs of Direct Benefits to Donors	(150,423)	-	(150,423)
Total Internal Special Events	567,058	-	567,058
Investment Income, Net	46,931	-	46,931
Other Income	12,517	-	12,517
Net Assets Released from Restrictions	229,167	(229,167)	-
Total Revenues, Gains, and Other Support	6,278,439	111,929	6,390,368
<b>EXPENSES</b>			
Program Services:			
Wish Granting	4,510,147	-	4,510,147
Total Program Services	4,510,147	-	4,510,147
Support Services:			
Fundraising	885,808	-	885,808
Management and General	351,396	-	351,396
Total Support Services	1,237,204	-	1,237,204
Total Expenses	5,747,351	-	5,747,351
<b>OTHER LOSSES</b>			
Change in Split-Interest Agreements	-	(1,906)	(1,906)
<b>CHANGE IN NET ASSETS</b>	531,088	110,023	641,111
Net Assets - Beginning of Year - Before Change in Accounting Policy	245,753	261,708	507,461
Change in Accounting Policy	2,450,739	-	2,450,739
Net Assets - Beginning of Year - As Adjusted	2,696,492	261,708	2,958,200
<b>NET ASSETS - END OF YEAR</b>	\$ 3,227,580	\$ 371,731	\$ 3,599,311

See accompanying Notes to Financial Statements.

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

	Program Services	Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services		
Direct Costs of Wishes	\$ 3,356,877	\$ -	\$ -	\$ -	\$ -	\$ 3,356,877
Salaries, Taxes, and Benefits	741,454	581,533	130,845	712,378	-	1,453,832
Printing, Subscriptions, and Publications	6,216	20,788	1,031	21,819	-	28,035
Professional Fees	18,936	52,852	114,835	167,687	-	186,623
Rent and Utilities	81,360	63,812	14,358	78,170	-	159,530
Postage and Delivery	9,568	5,137	405	5,542	-	15,110
Travel	6,585	11,149	1,592	12,741	-	19,326
Meetings and Conferences	35,330	37,975	5,789	43,764	-	79,094
Office Supplies	29,560	4,771	962	5,733	-	35,293
Communications	8,524	7,087	1,579	8,666	-	17,190
Advertising and Media	1,908	23,563	215	23,778	-	25,686
Repairs and Maintenance	5,167	4,053	912	4,965	-	10,132
Bad Debt Expense	-	-	47,463	47,463	-	47,463
Membership Dues	190	504	33	537	-	727
National Partnership Dues	189,109	26,332	23,938	50,270	-	239,379
Miscellaneous	13,120	41,356	6,337	47,693	-	60,813
Depreciation and Amortization	6,243	4,896	1,102	5,998	-	12,241
Special Event - Direct Donor Benefits	-	-	-	-	150,423	150,423
Total	4,510,147	885,808	351,396	1,237,204	150,423	5,897,774
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(150,423)	(150,423)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 4,510,147	\$ 885,808	\$ 351,396	\$ 1,237,204	\$ -	\$ 5,747,351

See accompanying Notes to Financial Statements.

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

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 641,111
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:	
Depreciation and Amortization	12,241
Bad Debt Expense	47,463
Net Realized and Unrealized Gains on Investments	(2,007)
Change in Value of Split-Interest Agreements	1,906
(Increase) Decrease in Assets:	
Contributions Receivable	(106,810)
Due from Related Entities	(30,678)
Prepaid Expenses	(200,889)
Other Assets	332
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	(54,942)
Due to Related Entities	428
Other Liabilities	14,500
Deferred Rent	(9,215)
Net Cash Provided by Operating Activities	313,440

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of Investments	(608,221)
Proceeds from Sales of Investments	239,342
Purchases of Property and Equipment	(2,081)
Net Cash Used by Investing Activities	(370,960)

**CASH FLOWS FROM FINANCING ACTIVITIES**

Principal Payments on Capital Lease Obligations	(4,594)
Net Cash Used by Financing Activities	(4,594)

**NET DECREASE IN CASH AND CASH EQUIVALENTS**

(62,114)

Cash and Cash Equivalents - Beginning of Year

526,954

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

\$ 464,840

**SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION**

Cash Paid for Interest Expense	\$ 6,207
Contributed Inventory	\$ 461

See accompanying Notes to Financial Statements.



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

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of Colorado (the Foundation) is a Colorado nonprofit corporation, organized for the purpose of creating life changing wishes for children with critical illness. 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 accounting principles generally accepted in the United States of America (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 without donor restricted 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 of 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 10 years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the leases. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

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

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

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

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

**Fair Value Measurements**

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

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

*Level 1* – 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.

**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.

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

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

**Net Assets (Continued)**

*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.

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

	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Wish Related	\$ 1,443,153	\$ -	\$ -	\$ 1,443,153
Other	692	423	73	1,188
	<u>\$ 1,443,845</u>	<u>\$ 423</u>	<u>\$ 73</u>	1,444,341
Special Events				18,687
Inventory (Assets)				461
Total				<u>\$ 1,463,489</u>

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

**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.

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

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

**Functional Expenses**

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

**Wish Granting**

Activities performed by the Foundation in granting wishes to children with critical illnesses.

**Fundraising**

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

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

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

**Functional Expenses (Continued)**

**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.

**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 \$9,862 at August 31, 2019.

**Management Estimates**

The preparation of financial statements in conformity with accounting principles 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.

**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.

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

Through the fiscal year ended 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 donor restriction as of September 1, 2018 have increased by \$2,450,739.

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

**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	\$	3,724,976
Donor Imposed Restrictions:		
Restricted Funds		371,731
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year		3,353,245

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments, CDs, and money market funds.

**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.

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.

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

**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Fair Value Hierarchy**

The following table presents the fair value hierarchy of assets 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:				
Investments:				
Mutual Funds	\$ 799,574	\$ -	\$ -	\$ 799,574
Exchange-Traded Funds	728,080	-	-	728,080
Cash and Cash Equivalents	-	-	-	1,187,822
Total Investments	1,527,654	-	-	2,715,476
Split-Interest Agreements	-	-	27,665	27,665
Total Assets	<u>\$ 1,527,654</u>	<u>\$ -</u>	<u>\$ 27,665</u>	<u>\$ 2,743,141</u>

The following table presents a rollforward of activity for investments measured at fair value using significant unobservable inputs (Level 3) for the year ended August 31, 2019:

Balance - Beginning of Year	\$ 29,571
Change in Value	<u>(1,906)</u>
Balance - End of Year	<u>\$ 27,665</u>

**NOTE 5 CONTRIBUTIONS RECEIVABLE**

The Foundation's contributions receivable as of August 31, 2019 consist of the following:

Total Amounts Due in:	
Within One Year	\$ 415,822
One to Five Years	<u>10,000</u>
Gross Contributions Receivable	425,822
Less Discount to Present Value (3.87%)	<u>(838)</u>
Contributions Receivable, Net	<u>\$ 424,984</u>

Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at August 31, 2019.

**MAKE-A-WISH FOUNDATION® OF COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**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 \$1,003,295 from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for annual dues, insurance, and other miscellaneous ancillary expenses that Make-A-Wish Foundation of America pays on behalf of the Foundation and for services provided to the Foundation by the National Organization. Amounts totaling \$329,718 were paid from the Foundation to the National Organization during the year ended August 31, 2019.

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 \$9,925 for the year ended August 31, 2019, which is recorded in the accompanying statement of activities as other income.

Amounts due from and to related entities are as follows:

Balance - August 31, 2019	
Due from National Organization	\$ 87,798
Due from Other Chapters	4,213
Total Due from Related Entities	<u>\$ 92,011</u>
Due to National Organization	\$ 9,428
Due to Other Chapters	19,386
Total Due to Related Entities	<u>\$ 28,814</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 \$267,125.



**MAKE-A-WISH FOUNDATION® OF COLORADO**  
**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	\$ 38,577
Office Furniture and Equipment	84,582
Total	123,159
Less Accumulated Depreciation and Amortization	(90,803)
Property and Equipment, Net	\$ 32,356

Depreciation expense totaled \$12,241 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 November 1, 2022. As of August 31, 2019, the cost of leased property and equipment under capital leases was \$31,755 and accumulated depreciation was \$12,710. Total rent expense for all operating leases for the year ended August 31, 2019 totaled \$159,530.

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	\$ 147,876	\$ 10,800
2021	-	10,800
2022	-	10,800
2023	-	1,800
Total Minimum Lease Payments	147,876	34,200
Less Amounts Representing Interest	-	(10,115)
Present Value of Net Minimum Lease Payments	\$ 147,876	\$ 24,085

**MAKE-A-WISH FOUNDATION® OF COLORADO**  
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**NOTE 9 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	\$ 321,933
Total	321,933
Subject to Passage of Time:	
Beneficial Interest in Charitable Gift Annuity Held by Others	27,665
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	22,133
Total	49,798
Total Donor Restricted Net Assets	\$ 371,731

**NOTE 10 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 limitations. The Foundation matches employee contributions up to 5% of the employee's salary. Foundation contributions to the Plan for the year ended August 31, 2019 were \$74,466.

**NOTE 11 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 \$857,894 were received from a single donor for the year ended August 31, 2019, which represents 15% of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

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**NOTE 12 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 13 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 299 wishes. As of the end of the year, there were approximately 340 wish children who are eligible for a wish. The average cost of a wish for the fiscal year was \$6,343 in cash and \$5,213 in in-kind for a total cost of \$11,556.

**NOTE 14 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through January 16, 2020, the date at which the financial statements were available to be issued.