MAKE-A-WISH FOUNDATION® OF PUERTO RICO

FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019

MAKE-A-WISH FOUNDATION® OF PUERTO RICO
TABLE OF CONTENTS
YEAR ENDED AUGUST 31, 2019

BDO in Puerto Rico
1302 Ponce De Leon Ave.
1ST Floor
San Juan, Puerto Rico 00907
Tel: 787-754-3999
Fax: 787-754-3105
www.bdopr.com

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Make-A-Wish Foundation® of Puerto Rico
San Juan, Puerto Rico:

Report on the Financial Statements

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Puerto Rico, which comprise the statement of financial position as of August 31, 2019 and the related statements of activities, cash flows, and functional expenses 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 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.

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 Puerto Rico as of August 31, 2019 and changes 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 Puerto Rico 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 Puerto Rico 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.

Subsequent Event - COVID-19

As disclosed in Note 12, after March 15, 2020, the Governor of Puerto Rico issued various Executive Orders to make the necessary closures of the government and private companies to combat the effects of Coronavirus (COVID-19 or the "virus"). As the result of the Executive Orders, the Foundation closed its operations effective March 16, 2020 and their operations since such date are very limited. The effect of the closing on their operations cannot be reasonable estimated at the date of this report but may be material to their operations and could include loss of revenues, among others. Our opinion was not modified with respect to this matter.

BDO-Audit, PSC
San Juan, Puerto Rico

April 15, 2020

Certified Public Accountants
(of Puerto Rico)
License No. 320 expires December 1, 2022
Stamp E395115 of the P.R. Society of
Certified Public Accountants has been
affixed to the file copy of this report

MAKE-A-WISH FOUNDATION® OF PUERTO RICO
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2019

ASSETS

Cash and Cash Equivalents	$	843,712
Investments		81,089
Due from Related Entities		21,268
Prepaid Expenses		6,944
Contributions Receivable, Net		86,592
Other Assets		41,599
Property and Equipment, Net		12,296
Total Assets	$	1,093,500

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts Payable and Accrued Expenses	$	69,333
Due to Related Entities		1,330
Capital Lease Obligations		7,327
Total Liabilities		77,990
NET ASSETS		
Without Donor Restrictions		938,987
With Donor Restrictions		76,523
Total Net Assets		1,015,510
Total Liabilities and Net Assets	$	1,093,500

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF PUERTO RICO
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Net of Write-Offs	$ 1,688,792	$ 32,647	$ 1,721,439
Grants	121,724	43,875	165,599
Total Public Support	1,810,516	76,522	1,887,038
Internal Special Events	404,759	-	404,759
Less Costs of Direct Benefits to Donors	(160,845)	-	(160,845)
Total Internal Special Events	243,914	-	243,914
Investment Income, Net	618	-	618
Other Income	4,033	-	4,033
Net Assets Released from Restrictions	71,507	(71,507)	-
Total Revenues, Gains, and Other Support	2,130,588	5,015	2,135,603
EXPENSES			
Program Services:			
Wish Granting	1,339,836	-	1,339,836
Total Program Services	1,339,836	-	1,339,836
Support Services:			
Fundraising	698,079	-	698,079
Management and General	123,970	-	123,970
Total Support Services	822,049	-	822,049
Total Expenses	2,161,885	-	2,161,885
CHANGE IN NET ASSETS	(31,297)	5,015	(26,282)
Net Assets - Beginning - Before Change in Accounting Policy	551,738	71,508	623,246
Change in Accounting Policy	418,546	-	418,546
Net Assets - Beginning of Year - As Adjusted	970,284	71,508	1,041,792
NET ASSETS - END OF YEAR	$ 938,987	$ 76,523	$ 1,015,510

See accompanying Notes to Financial Statements.

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

	Program Services	Support Services				
	Wish Granting	Fundraising	Management and General	Total Support Services	Direct Donor Benefits	Total
Direct Costs of Wishes	$ 1,112,395	$ -	$ -	$ -	$ -	$ 1,112,395
Salaries, Taxes, and Benefits	127,729	71,069	46,836	117,905	-	245,634
Printing, Subscriptions, and Publications	2,073	5,733	532	6,265	-	8,338
Professional Fees	1,576	7,524	46,464	53,988	-	55,564
Rent and Utilities	22,033	12,287	8,050	20,337	-	42,370
Postage and Delivery	1,147	619	497	1,116	-	2,263
Travel	2,513	1,652	1,906	3,558	-	6,071
Meetings and Conferences	15,507	49,922	6,192	56,114	-	71,621
Office Supplies	10,936	1,090	819	1,909	-	12,845
Communications	1,344	750	491	1,241	-	2,585
Advertising and Media (In-Kind)	-	553,293	-	553,293	-	553,293
Repairs and Maintenance	574	319	209	528	-	1,102
Insurance	82	46	30	76	-	158
Bad Debt Expense	-	(17,546)	-	(17,546)	-	(17,546)
National Partnership Dues	37,329	5,198	4,725	9,923	-	47,252
Miscellaneous	2,631	5,026	6,500	11,526	-	14,157
Depreciation and Amortization	1,967	1,097	719	1,816	-	3,783
Special Event - Direct Donor Benefits	-	-	-	-	160,845	160,845
Total	1,339,836	698,079	123,970	822,049	160,845	2,322,730
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(160,845)	(160,845)
Total Expenses Included in the Expense Section of the Statement of Activities	$ 1,339,836	$ 698,079	$ 123,970	$ 822,049	$ -	2,161,885

See accompanying Notes to Financial Statements.

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

CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$	(26,282)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation and Amortization		3,783
Bad Debt Expense		(17,546)
Contributed Property and Equipment		(2,421)
(Increase) Decrease in Assets:		
Contributions Receivable		45,034
Due from Related Entities		(11,459)
Prepaid Expenses		(910)
Other Assets		3,374
Decrease in Liabilities:		
Accounts Payable and Accrued Expenses		(22,547)
Due to Related Entities		(7,832)
Net Cash Used by Operating Activities		(36,806)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments		(241)
Purchases of Property and Equipment		(3,486)
Net Cash Used by Investing Activities		(3,727)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Lease Obligations		(1,579)
Net Cash Used by Financing Activities		(1,579)
NET DECREASE IN CASH AND CASH EQUIVALENTS		(42,112)
Cash and Cash Equivalents - Beginning of Year		885,824
CASH AND CASH EQUIVALENTS - END OF YEAR	$	843,712
SUPPLEMENTAL CASH FLOW INFORMATION		
Contributed Property and Equipment	$	2,421

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Puerto Rico (the Foundation) is a Puerto Rico 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 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 consist of certificate of deposits, which are recorded at cost. 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 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 lives of the assets 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.

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.

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.

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 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 for the year ended August 31, 2019:

	Program	Fundraising	Management and General	Total
Program and Support Service Expenses:				
Wish Related	$ 683,482	$ -	$ -	$ 683,482
Professional Services	312	844	272	1,428
Advertising and Media	-	553,293	-	553,293
Other	18,032	22,515	3,963	44,510
	$ 701,826	$ 576,652	$ 4,235	1,282,713
Special Events				31,329
Property & Equipment				2,421
Total				$ 1,316,463

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 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 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and Puerto Rico taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Section 1104(4) of the Puerto Rico Internal Revenue 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.

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. 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 a specific programs or fundraising activities, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment, and other expenses.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 donor restriction as of September 1, 2018 have increased by $418,546

NOTE 3 LIQUIDITY

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	$ 1,032,661
Donor Imposed Restrictions:	
Restricted Funds	(76,523)
Net Financial Assets after Donor-Imposed Restrictions	956,138
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 956,138

NOTE 4 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. 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.

At August 31, 2019, the Foundation's only investments held were in certificates of deposit with bank institutions valued at $81,089.

NOTE 5 CONTRIBUTIONS RECEIVABLE

The Foundation's contributions receivable at August 31, 2019 were $86,592, representing contributions due from four donors. All contribution receivable are due within the next twelve months. Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectable 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 $141,507 from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for 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. Amounts totaling $94,189 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 $4,025 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 at August 31, 2019 are as follows:

Due from National Organization	$ 14,218
Due from Other Chapters	7,050
Total Due from Related Entities	$ 21,268
Due to National Organization	$ 232
Due to Other Chapters	1,098
Total Due to Related Entities	$ 1,330

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 $31,539.

NOTE 7 PROPERTY AND EQUIPMENT, NET

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

Computer Equipment and Software	$	34,645
Office Furniture and Equipment		21,610
Total		56,255
Less: Accumulated Depreciation and Amortization		(43,959)
Property and Equipment, Net	$	12,296

Depreciation and amortization expense totaled $3,783 for the year ended August 31, 2019.

Fully depreciated net assets that were retired during the year ended August 31, 2019 totaled $35,840.

NOTE 8 LEASES

The Foundation is obligated under various capital and operating leases for offices and equipment, which expire at various dates through July 1, 2023. As of August 31, 2019, the cost of leased property and equipment under capital leases was $9,033, and accumulated depreciation was $1,957. Total rent expense for all operating leases for the year ended August 31, 2019 totaled $25,200.

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

Year Ending August 31,		Operating Leases		Capital Leases
2020	$	25,200	$	2,136
2021		8,400		2,136
2022		-		2,136
2023		-		1,959
Total Minimum Lease Payments		33,600		8,367
Less: Amounts Representing Interest		-		(1,040)
Present Value of Net Minimum Lease Payments	$	33,600	$	7,327

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	$	32,648
Total		32,648
Subject to the Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due		43,875
Total		43,875
Total Net Assets with Donor Restrictions	$	76,523

NOTE 10 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 FDIC insurance coverage.

In-kind contributions totaling $403,629 and $364,972 were received from two separate donors for the year ended August 31, 2019, which represents 21% and 19%, respectively, of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 11 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 130 wishes. As of the end of the year, there were approximately 70 wish children who are eligible for a wish. The average cost of a wish for the fiscal year was $3,045 in cash and $5,011 in in-kind for a total cost of $8,056.

NOTE 12 SUBSEQUENT EVENTS

On March 15, 2020, the Governor of Puerto Rico issued the Executive Order #OE-2020-023 to make the necessary closures of the government and private companies to combat the effects of Coronavirus (COVID-19 or the “virus”). The closure consists of a 16-days lock down and social distancing from March 16 to March 30, 2020. On March 30, 2020, the Governor of Puerto Rico issued the Executive Order #OE-2020-29 to extend the lock down and social distancing up to April 12, 2020. On April 12, 2020, the Governor of Puerto Rico issued the Executive Order #OE-2020-33 to extend the lock down and social distancing up to May 3, 2020.

As the result of the Executive Orders, our foundation closed its operations effective March 16, 2020 and our operations since such date are very limited. Although, we expect to resume our activities on May 3, 2020, the last executive order may be extended for an additional period as considered necessary by the government of Puerto Rico.

As consequence, travel restrictions may have a significant impact on the ability to grant certain types of wishes. This will impact certain wish related expenses. In addition, the Foundation has delayed certain fundraising events scheduled for the fiscal year 2020 to fiscal year 2021. These losses are not included in the financial statements as of and for the year ended August 31, 2019. The effect of the closing on our operations cannot be reasonable estimated at this time but may be material to our operations and could include loss of revenues among others. In addition, the extent to which the COVID-19 impacts our results depend on future developments, which are highly uncertain and cannot be predicted, including new information which may emerge concerning the severity of the virus and the actions to contain or treat it’s impact, among others.

The Foundation evaluated subsequent events through April 15, 2020, the date on which the audited financial statements were available to be issued. There are no material subsequent events that would require further disclosure in the Foundation’s audited financial statements.