

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2019



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**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
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YEAR ENDED AUGUST 31, 2019**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of New Hampshire
Manchester, New Hampshire

Report on the Financial Statements

We have audited the accompanying financial statements of Make-A-Wish Foundation® of New Hampshire, 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 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 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 New Hampshire 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 Matter

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



CliftonLarsonAllen LLP

Boston, Massachusetts
January 8, 2020

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2019

ASSETS

Cash and Cash Equivalents	\$ 636,873
Investments	1,399,885
Due from Related Entities	8,401
Prepaid Expenses and Other Assets	82,430
Contributions Receivable, Net	794,671
Split-Interest Agreement	8,415
Property and Equipment, Net	<u>15,490</u>
Total Assets	<u><u>\$ 2,946,165</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Expenses	\$ 70,605
Due to Related Entities	20,327
Deferred Rent	4,739
Capital Lease Obligations	<u>4,329</u>
Total Liabilities	<u>100,000</u>

NET ASSETS

Without Donor Restriction	2,009,972
With Donor Restriction	<u>836,193</u>
Total Net Assets	<u><u>2,846,165</u></u>
Total Liabilities and Net Assets	<u><u>\$ 2,946,165</u></u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2019

	Without Donor Restriction	With Donor Restriction	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions	\$ 2,424,508	\$ 631,048	\$ 3,055,556
Grants	12,500	7,176	19,676
Total Public Support	2,437,008	638,224	3,075,232
Internal Special Events	196,071	368	196,439
Total Internal Special Events	196,071	368	196,439
Investment Income, Net	38,879	-	38,879
Other Income	10,266	-	10,266
Net Assets Released from Restrictions	333,972	(333,972)	-
Total Revenues, Gains, and Other Support	3,016,196	304,620	3,320,816
EXPENSES			
Program Services:			
Wish Granting	1,352,427	-	1,352,427
Program-Related Support	891,192	-	891,192
Total Program Services	2,243,619	-	2,243,619
Support Services:			
Fundraising	284,619	-	284,619
Management and General	79,836	-	79,836
Total Support Services	364,455	-	364,455
Total Expenses	2,608,074	-	2,608,074
NONOPERATING ACTIVITIES			
Change in Value of Split-Interest Agreement	-	(451)	(451)
Total Other Losses	-	(451)	(451)
CHANGE IN NET ASSETS	408,122	304,169	712,291
Net Assets - Beginning - Before Change in Accounting Policy	895,972	532,024	1,427,996
Change in Accounting Policy	705,878	-	705,878
Net Assets - Beginning of Year - As Adjusted	1,601,850	532,024	2,133,874
NET ASSETS - END OF YEAR	\$ 2,009,972	\$ 836,193	\$ 2,846,165

See accompanying Notes to Financial Statements.

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

	Program Services			Support Services			Total
	Wish Granting	Program-Related Support	Total Program Services	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,352,427	\$ -	\$ 1,352,427	\$ -	\$ -	\$ -	\$ 1,352,427
Salaries, Taxes, and Benefits	-	524,908	524,908	149,642	46,727	196,369	721,277
Printing, Subscriptions, and Publications	-	3,016	3,016	9,931	29	9,960	12,976
Professional Fees	-	2,045	2,045	580	13,958	14,538	16,583
Rent and Utilities	-	36,725	36,725	11,445	2,613	14,058	50,783
Postage and Delivery	-	2,904	2,904	1,988	191	2,179	5,083
Travel	-	38,926	38,926	13,503	947	14,450	53,376
Meetings and Conferences	-	19,381	19,381	3,854	672	4,526	23,907
Office Supplies	-	2,285	2,285	876	158	1,034	3,319
Communications	-	10,348	10,348	2,530	633	3,163	13,511
Advertising and Media (Cash)	-	1,990	1,990	25	-	25	2,015
Advertising and Media (In-Kind)	-	86,895	86,895	-	-	-	86,895
Repairs and Maintenance	-	9,827	9,827	15,760	633	16,393	26,220
Bad Debt Expense	-	-	-	7,225	-	7,225	7,225
Membership Dues	-	3,183	3,183	790	12	802	3,985
Volunteer Training	-	52	52	-	-	-	52
National Partnership Dues	-	77,053	77,053	10,729	9,754	20,483	97,536
Miscellaneous	-	67,468	67,468	54,582	3,179	57,761	125,229
Depreciation and Amortization	-	4,186	4,186	1,159	330	1,489	5,675
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 1,352,427	\$ 891,192	\$ 2,243,619	\$ 284,619	\$ 79,836	\$ 364,455	\$ 2,608,074

See accompanying Notes to Financial Statements.

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

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$	712,291
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization		5,675
Bad Debt Expense		7,225
Net Realized and Unrealized Losses on Investments		27,402
Change in Value of Split-Interest Agreement		451
Change in Discount to Present Value of Contributions Receivable		(9,716)
(Increase) Decrease in Assets:		
Contributions Receivable		(284,148)
Due from Related Entities		14,955
Prepaid Expenses		(46,628)
(Increase) Decrease in Liabilities:		
Accounts Payable and Accrued Expenses		26,458
Due to Related Entities		(1,897)
Deferred Rent		1,484
Net Cash Provided by Operating Activities		453,552

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Investments		(208,256)
Proceeds from Sales of Investments		127,483
Purchases of Property and Equipment		(6,318)
Net Cash Used by Investing Activities		(87,091)

CASH FLOWS FROM FINANCING ACTIVITIES

Principal Payments on Capital Lease Obligations		(1,404)
		(1,404)

NET INCREASE IN CASH AND CASH EQUIVALENTS

365,057

Cash and Cash Equivalents - Beginning of Year

271,816

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 636,873

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of New Hampshire (the Foundation) is a New Hampshire 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. 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 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 greater than \$1,000 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 lease. 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 NEW HAMPSHIRE
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 NEW HAMPSHIRE
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 receives contributions of services from unpaid volunteers who assist with administrative tasks that are important to supporting the overall mission. No amounts have been recognized in the statement of activities for these services since the criteria for recognition have not been satisfied. If such amounts had been recognized the revenue and applicable management and general expenses would be higher.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
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 and services and materials that are reported in the statements of activities as follows:

	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Program and Support Service Expenses:				
Wish Related	\$ 433,907	\$ -	\$ -	\$ 433,907
Professional Services	-	-	10,015	10,015
Advertising and Media	86,895	-	-	86,895
Other	4,427	11,151	56	15,634
Total Program and Support Service Expenses	<u>\$ 525,229</u>	<u>\$ 11,151</u>	<u>\$ 10,071</u>	<u>\$ 546,451</u>

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

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and New Hampshire income and franchise taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3) and Section RSA77 of the New Hampshire Department of Revenue Administration. 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 four functions: wish granting, program-related support, fundraising, and management and general. Definitions of these functions are as follows:

Wish Granting and Program Related Support

Activities performed by the Foundation in granting wishes to children with critical illnesses, the implementation of programs supporting identification of wish candidates and the determination and delivery of each wish. Specific activities include, but are not limited to, the development of wish resources, handling of wish referrals, administration of the wish program, and communicated the purpose and services of the Foundation of all potential wish referrals.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses (Continued)

Fundraising

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

Management and General

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

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

Deferred Rent

The Foundation accounts for rent expense evenly over the term of the lease using the straight-line method. The unamortized deferred rent was \$4,739 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 Statement 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 NEW HAMPSHIRE
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 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 restriction as of September 1, 2018 have increased by \$705,878.

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 to 24 months of liquidity is considered excellent based off the enterprise-wide published scale.

Total Financial Assets	\$	2,848,245
Donor-Imposed Restrictions:		
Restricted Funds		<u>(836,193)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year		<u>\$ 2,012,052</u>

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 tables 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.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Investments

Overall Investment Objective

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

Fair Value Hierarchy

The following tables presents the fair value hierarchy of assets that are measured at fair value on a recurring basis at August 31, 2019 :

	Identical Assets (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)	Investments Measured at NAV	Total
ASSETS					
Recurring:					
Investments:					
Mutual Funds	\$ 1,206,373	\$ -	\$ -	\$ -	\$ 1,206,373
Exchange-Traded Funds	110,360	-	-	-	110,360
Certificates of Deposit	-	-	-	-	50,048
Cash	-	-	-	-	33,104
Split-Interest Agreements	-	-	8,415	-	8,415
Total Recurring	1,316,733	-	8,415	-	1,408,300
Total Assets	<u>\$ 1,316,733</u>	<u>\$ -</u>	<u>\$ 8,415</u>	<u>\$ -</u>	<u>\$ 1,408,300</u>

For the valuation of the split-interest agreement at August 31, 2019, the Foundation used significant unobservable inputs such as present value of expected future amount to be received (Level 3).

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

Beginning Balance	\$ 8,866
Change in Value of Split-Interest Agreement	(451)
Ending Balance	<u>\$ 8,415</u>

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at rates ranging from 0.75% to 1.93% at August 31, 2019. The following is a summary of the Foundation's contributions receivable at August 31:

Total Amounts Due in:	
One Year	\$ 589,948
Two to Five Years	242,311
More than Five Years	<u>3,150</u>
Gross Contributions Receivable	835,409
Less: Allowance for Doubtful Accounts	(31,022)
Less: Discount to Present Value	<u>(9,716)</u>
Contributions Receivable, Net	<u><u>\$ 794,671</u></u>

NOTE 6 SPLIT-INTEREST AGREEMENT

Beneficial Interest in Net Assets Held by Others

Donors have contributed assets to the National Organization in exchange for a promise by the National Organization to pay a fixed amount for a specified period of time to the donor or to individuals designated by the donor. Under the terms of such agreements, no trust exists, as the assets received are held by and the liability is an obligation of the National Organization. The National Organization records contribution revenue using the fair value of the assets less the present value of the payments expected to be made to the beneficiaries. The Foundation is named as a beneficiary in one of these agreements. Accordingly, temporarily restricted contribution revenue and the related assets are recognized at fair value in the period in which the Foundation received notice that the agreement conveys an unconditional right to receive benefits. Subsequent changes in the value of the underlying assets are recorded in the accompanying statement of activities as the change in value of beneficial interest in assets held by others.

NOTE 7 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.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 7 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

The Foundation received the following distributions from the National Organization for the years ended August 31, 2019:

Corporate, Online, Whitemail, and General Contributions	\$ 262,228
Wishes Forever Fund	7,176
Total Distributions Received	<u>\$ 269,404</u>

These amounts are recorded in the Statement of Activities as public support revenue.

The Foundation paid to the National Organization the following amounts for the year ended August 31, 2019:

Partnership Dues	\$ 97,536
Other	4,015
Total Amounts Paid	<u>\$ 101,551</u>

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 \$50 for the year ended August 31, 2019, which is recorded in the accompanying statements of activities as other income.

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

Due from National Organization	\$ 7,660
Due from Other Chapters	741
Total Due from Related Entities	<u>\$ 8,401</u>
Due to Other Chapters	\$ 20,327
Total Due to Related Entities	<u>\$ 20,327</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.

During 2019, the Foundation received contributions, both cash and in-kind, from current board members and active board alumni totaling \$76,401. In 2019, amounts due from board members totaled \$107,417 and are included in contributions receivable in the accompanying statement of financial position. Amounts paid to related parties for goods and services used in the Foundation’s operations totaled \$5,449 in 2019.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 8 PROPERTY AND EQUIPMENT

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

Computer Equipment and Software	\$ 45,350
Office Furniture	9,755
Total	55,105
Less: Accumulated Depreciation and Amortization	(39,615)
Property and Equipment, Net	\$ 15,490

Depreciation and amortization expense totaled \$5,675 for the year ended August 31, 2019.

NOTE 9 LEASES

The Foundation is obligated under various capital and operating leases for office space and equipment, which expire at various dates through July 1, 2022. As of year ended August 31, 2019, the cost of leased property and equipment under capital leases was \$7,020. Accumulated depreciation as of August 31, 2019 was \$2,691. Total rent expense for the operating lease for the year ended August 31, 2019 totaled \$46,170.

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 Lease</u>	<u>Capital Lease</u>
2020	\$ 46,170	\$ 1,404
2021	46,170	1,404
2022	42,323	1,404
2023	-	117
Total Minimum Lease Payments	\$ 134,663	\$ 4,329

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	\$ 153,894
Total	153,894
Subject to Passage of Time:	
Assets Held under Split Interest Agreements	8,415
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	673,884
Total	682,299
Total Donor Restricted Net Assets	\$ 836,193

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NOTE 11 RETIREMENT PLAN

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of six months of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to \$5,000 per plan year. Foundation contributions to the Plan for the year ended August 31, 2019 were \$30,200.

NOTE 12 CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash, cash equivalents, and investments. The Foundation places its cash and investments with high credit quality financial institutions and generally limits the amount of credit exposure not to exceed the Federal Deposit Insurance Corporation (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 \$233,641 were received from a single donor for the year ended August 31, 2019, which represents 8% of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 13 LITIGATION AND CLAIMS

The Foundation, is periodically involved in litigation and claims arising in the ordinary course of business. In the opinion of management, there is no pending litigation that would have a material adverse effect on the Foundation's financial position, change in net assets, or liquidity.

NOTE 14 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the fiscal year ended August 31, 2019, the Foundation granted 92 wishes. As of the end of the year, there were approximately 94 wish children who are eligible for a wish. The average cost of a wish for the fiscal year was \$10,303 in cash and \$4,433 in in-kind for a total cost of \$14,736.

NOTE 15 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.

