

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2020 AND 2019**



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**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
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**YEARS ENDED AUGUST 31, 2020 AND 2019**

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of Make-A-Wish Foundation® of New Hampshire, which comprise the statements of financial position as of August 31, 2020 and 2019 and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the 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 New Hampshire as of August 31, 2020 and 2019, and change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Boston, Massachusetts  
December 28, 2020

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,090,875	\$ 636,873
Investments	1,595,814	1,399,885
Due from Related Entities	24,873	8,401
Prepaid Expenses and Other Assets	152,968	82,430
Contributions Receivable, Net	535,327	794,671
Split-Interest Agreement	9,564	8,415
Property and Equipment, Net	<u>14,338</u>	<u>15,490</u>
Total Assets	<u><u>\$ 3,423,759</u></u>	<u><u>\$ 2,946,165</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	57,757	70,605
Due to Related Entities	173,195	20,327
Deferred Rent	4,659	4,739
Capital Lease Obligations	2,925	4,329
Paycheck Protection Program	<u>142,383</u>	<u>-</u>
Total Liabilities	380,919	100,000
<b>NET ASSETS</b>		
Without Donor Restriction	2,473,782	2,009,972
With Donor Restriction	<u>569,058</u>	<u>836,193</u>
Total Net Assets	<u><u>3,042,840</u></u>	<u><u>2,846,165</u></u>
Total Liabilities and Net Assets	<u><u>\$ 3,423,759</u></u>	<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, 2020**

	Without Donor Restriction	With Donor Restriction	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions	\$ 1,562,326	\$ 139,131	\$ 1,701,457
Grants	62,350	177,180	239,530
Total Public Support	1,624,676	316,311	1,940,987
Internal Special Events	185,225	4,887	190,112
Total Internal Special Events	185,225	4,887	190,112
Investment Income, Net	181,576	-	181,576
Other Income	6,822	-	6,822
Net Assets Released from Restrictions	589,482	(589,482)	-
Total Revenues, Gains, and Other Support	2,587,781	(268,284)	2,319,497
<b>EXPENSES</b>			
Program Services:			
Wish Granting	785,974	-	785,974
Program-Related Support	931,978	-	931,978
Total Program Services	1,717,952	-	1,717,952
Support Services:			
Fundraising	297,947	-	297,947
Management and General	108,072	-	108,072
Total Support Services	406,019	-	406,019
Total Expenses	2,123,971	-	2,123,971
<b>NONOPERATING ACTIVITIES</b>			
Change in Value of Split-Interest Agreement	-	1,149	1,149
Total Nonoperating Activities	-	1,149	1,149
<b>CHANGE IN NET ASSETS</b>	463,810	(267,135)	196,675
Net Assets - Beginning of Year	2,009,972	836,193	2,846,165
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,473,782</u>	<u>\$ 569,058</u>	<u>\$ 3,042,840</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
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Net of Write-Offs	\$ 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 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
<b>EXPENSES</b>			
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 Program and Support Services Expenses	2,608,074	-	2,608,074
<b>OTHER EXPENSES</b>			
Change in Value of Split-Interest Agreement	-	(451)	(451)
Total Other Expenses	-	(451)	(451)
Change in Net Assets	408,122	304,169	712,291
Net Assets - Beginning of Year	1,601,850	532,024	2,133,874
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 2,009,972</u>	<u>\$ 836,193</u>	<u>\$ 2,846,165</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2020**

	Program Services			Support Services			
	Wish Granting	Program- Related Support	Total Program Services	Fundraising	Management and General	Total Support Services	Total
Direct Costs of Wishes	\$ 785,974	\$ -	\$ 785,974	\$ -	\$ -	\$ -	\$ 785,974
Salaries, Taxes, and Benefits	-	562,991	562,991	150,285	49,310	199,595	762,586
Printing, Subscriptions, and Publications	-	6,295	6,295	10,607	136	10,743	17,038
Professional Fees	-	2,060	2,060	5,470	17,020	22,490	24,550
Rent and Utilities	-	36,847	36,847	11,180	2,996	14,176	51,023
Postage and Delivery	-	3,390	3,390	4,515	240	4,755	8,145
Travel	-	31,652	31,652	10,844	863	11,707	43,359
Meetings and Conferences	-	8,092	8,092	1,703	505	2,208	10,300
Office Supplies	-	2,201	2,201	487	265	752	2,953
Communications	-	8,548	8,548	2,370	674	3,044	11,592
Advertising and Media (Cash)	-	5,785	5,785	382	318	700	6,485
Advertising and Media (In-Kind)	-	50,000	50,000	-	-	-	50,000
Repairs and Maintenance	-	8,920	8,920	8,606	675	9,281	18,201
Bad Debt Expense	-	-	-	42,896	-	42,896	42,896
Membership Dues	-	3,254	3,254	745	13	758	4,012
Volunteer Training	-	20	20	-	-	-	20
National Partnership Dues	-	155,889	155,889	21,143	33,629	54,772	210,661
Miscellaneous	-	42,042	42,042	25,609	1,113	26,722	68,764
Depreciation and Amortization	-	3,992	3,992	1,105	315	1,420	5,412
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 785,974</u>	<u>\$ 931,978</u>	<u>\$ 1,717,952</u>	<u>\$ 297,947</u>	<u>\$ 108,072</u>	<u>\$ 406,019</u>	<u>\$ 2,123,971</u>

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			
	Wish Granting	Program- Related Support	Total Program Services	Fundraising	Management and General	Total Support Services	Total
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	<u>\$ 1,352,427</u>	<u>\$ 891,192</u>	<u>\$ 2,243,619</u>	<u>\$ 284,619</u>	<u>\$ 79,836</u>	<u>\$ 364,455</u>	<u>\$ 2,608,074</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**STATEMENTS OF CASH FLOWS**  
**YEAR ENDED AUGUST 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 196,675	\$ 712,291
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	5,412	5,675
Bad Debt Expense	42,896	7,225
Net Realized and Unrealized (Gains) Losses on Investments	(125,586)	27,402
Change in Value of Split-Interest Agreement	(1,149)	451
Change in Discount to Present Value of Contributions Receivable	(26,340)	(9,716)
(Increase) Decrease in Assets:		
Contributions Receivable	242,788	(284,148)
Due from Related Entities	(16,472)	14,955
Prepaid Expenses	(70,538)	(46,628)
(Increase) Decrease in Liabilities:		
Accounts Payable and Accrued Expenses	(12,848)	26,458
Due to Related Entities	152,868	(1,897)
Deferred Rent	(80)	1,484
Net Cash Provided by Operating Activities	387,626	453,552
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(284,512)	(208,256)
Proceeds from Sales of Investments	214,169	127,483
Purchases of Property and Equipment	(4,260)	(6,318)
Net Cash Used by Investing Activities	(74,603)	(87,091)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Capital Lease Obligations	(1,404)	(1,404)
Proceeds from Paycheck Protection Program Loan	142,383	-
Net Cash Provided (Used) by Financing Activities	140,979	(1,404)
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	454,002	365,057
Cash and Cash Equivalents - Beginning of Year	636,873	271,816
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 1,090,875</u>	<u>\$ 636,873</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 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 develops and implements 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 (U.S. GAAP) applicable to nonprofit entities.

**Cash and Cash Equivalents**

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

**Investments**

Investments are recorded at fair value. Investment income, including gains and losses on investments, is recorded as increases or decreases in net assets without donor restrictions unless its use is limited by donor-imposed restrictions or law.

The Foundation's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that those changes in the values of investments will occur in the near term and that such changes could be material to the amounts reported in the statements of financial position.

**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.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 2019**

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

**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.

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

**Fair Value Measurements**

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

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

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

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

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

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 2019**

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

**Net Assets**

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

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

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

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements 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 to give are not recognized as contribution revenue and receivables until the conditions have been substantially met.

Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 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:

August 31, 2020				
	Programs	Fundraising	Management and General	Total
Program and Support Service Expenses:				
Wish Related	\$ 138,060	\$ -	\$ -	\$ 138,060
Professional Services	-	-	10,649	10,649
Advertising and Media	50,000	-	-	50,000
Other	1,682	9,072	50	10,804
Total Program and Support Service Expenses	<u>\$ 189,742</u>	<u>\$ 9,072</u>	<u>\$ 10,699</u>	<u>\$ 209,513</u>
August 31, 2019				
	Programs	Fundraising	Management and General	Total
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.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 2019**

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

**Income Taxes (Continued)**

Management believes that no uncertain tax positions exist for the Foundation at August 31, 2020 and 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.

**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, 2020 and 2019, 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 \$4,659 and \$4,739, respectively at August 31, 2020 and 2019.

**Management Estimates**

The preparation of financial statements in conformity with U.S. GAAP 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.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 2019**

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

**Change in Accounting Principle**

In June 2018, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2018-08, *Not-for-Profit Entities* (Topic 958) – *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The update clarifies and improves the scope and the accounting guidance for contributions received and contributions made. The amendments in the update assist entities in (1) evaluating whether transactions should be accounted for as contributions (nonreciprocal transactions) within the scope of Topic 958, *Not-for-Profit Entities*, or as exchange (reciprocal) transactions subject to other guidance and (2) determining whether a contribution is conditional.

The Foundation's financial statements reflect adoption of ASU 2018-08 guidance beginning in fiscal year 2020. The adoption of ASU 2018-08 did not impact the Foundation's reported revenue.

**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.

	2020	2019
Total Financial Assets	\$ 3,246,889	\$ 2,839,830
Donor-Imposed Restrictions:		
Restricted Funds	(569,058)	(836,193)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,677,831</u>	<u>\$ 2,003,637</u>

Financial assets include cash and cash equivalents, investments, due from related entities, contributions receivable, and investments held for long-term purposes. For purposes of analyzing resources available to meet general expenditures over one year, the Foundation considers all expenditures related to its ongoing program activities, as well as the functions in support of those activities, to be general expenditures.

**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.

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

**Fair Value of Financial Instruments (Continued)**

The fair values of the financial instruments shown in the following tables as of August 31, 2020 and 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 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:

	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Assets not Held at Fair Value	Total
<u>August 31, 2020</u>					
<b>ASSETS</b>					
Recurring:					
Investments:					
Mutual Funds	\$ 1,272,312	\$ -	\$ -	\$ -	\$ 1,272,312
Exchange-Traded Funds	223,537	-	-	-	223,537
Cash	-	-	-	99,965	99,965
Split-Interest Agreements	-	-	9,564	-	9,564
Total Assets	<u>\$ 1,495,849</u>	<u>\$ -</u>	<u>\$ 9,564</u>	<u>\$ 99,965</u>	<u>\$ 1,605,378</u>

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

**Fair Value Hierarchy (Continued)**

	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Assets not Held at Fair Value	Total
<u>August 31, 2019</u>					
<b>ASSETS</b>					
Recurring:					
Investments:					
Mutual Funds	\$ 1,206,373	\$ -	\$ -	\$ -	\$ 1,206,373
Exchange-Traded Funds	110,360	-	-	-	110,360
Certificates of Deposit	-	-	-	50,048	50,048
Cash	-	-	-	33,104	33,104
Split-Interest Agreements	-	-	8,415	-	8,415
Total Assets	<u>\$ 1,316,733</u>	<u>\$ -</u>	<u>\$ 8,415</u>	<u>\$ 83,152</u>	<u>\$ 1,408,300</u>

For the valuation of the split-interest agreement at August 31, 2020, 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:

	2020	2019
Beginning Balance	\$ 8,415	\$ 8,866
Change in Value of Split-Interest Agreement	1,149	(451)
Ending Balance	<u>\$ 9,564</u>	<u>\$ 8,415</u>

**NOTE 5 CONTRIBUTIONS RECEIVABLE**

Contributions receivable include pledges that have been discounted at rates ranging from 0.75% to 1.93% for both years ending August 31, 2020 and 2019. The following is a summary of the Foundation's contributions receivable at August 31:

	2020	2019
Total Amounts Due in:		
One Year	\$ 389,944	\$ 589,948
Two to Five Years	182,315	242,311
More than Five Years	-	3,150
Gross Contributions Receivable	572,259	835,409
Less: Allowance for Doubtful Accounts	(10,592)	(31,022)
Less: Discount to Present Value	(26,340)	(9,716)
Contributions Receivable, Net	<u>\$ 535,327</u>	<u>\$ 794,671</u>

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**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.

The Foundation received the following distributions from the National Organization for the years ended August 31, 2020 and 2019:

	2020	2019
Corporate, Online, Whitemail, and General Contributions	\$ 249,348	\$ 262,228
Grants	1,000	-
Wishes Forever Fund	11,350	7,176
Total Distributions Received	<u>\$ 261,698</u>	<u>\$ 269,404</u>

These amounts are recorded in the statements of activities as public support revenue.

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**NOTE 7 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)**

The Foundation paid to the National Organization the following amounts for the years ended August 31, 2020 and 2019:

	2020	2019
Partnership Dues	\$ 210,661	\$ 97,536
Other	-	4,015
Total Amounts Paid	<u>\$ 210,661</u>	<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 \$300 and \$50, respectively, for the years ended August 31, 2020 and 2019, which is recorded in the accompanying statements of activities as other income.

Amounts due from and to related entities at August 31, 2020 and 2019 are as follows:

	2020	2019
Due from National Organization	\$ 34,437	\$ 7,660
Due from Other Chapters	-	741
Total Due from Related Entities	<u>\$ 34,437</u>	<u>\$ 8,401</u>
Due to Other Chapters	\$ 173,195	\$ 20,327
Total Due to Related Entities	<u>\$ 173,195</u>	<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.

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**NOTE 7 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)**

During the years ended August 31, 2020 and 2019, the Foundation received contributions, both cash and in-kind, from board members totaling \$45,817 and \$76,401, respectively. At August 31, 2020 and 2019, amounts due from board members totaled \$81,633 and \$107,417, respectively, and are included in contributions receivable in the accompanying statements of financial position. Amounts paid to related parties for goods and services used in the Foundation's operations totaled \$2,866 and \$5,449 for the years ended August 31, 2020 and 2019, respectively.

**NOTE 8 PROPERTY AND EQUIPMENT**

Property and equipment as of August 31, 2020 and 2019 consist of the following:

	2020	2019
Computer Equipment and Software	\$ 49,610	\$ 45,350
Office Furniture	9,755	9,755
Total	59,365	55,105
Less: Accumulated Depreciation and Amortization	(45,027)	(39,615)
Property and Equipment, Net	<u>\$ 14,338</u>	<u>\$ 15,490</u>

Depreciation and amortization expense totaled \$5,412 and \$5,675, respectively, for the years ended August 31, 2020 and 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 August 31, 2020 and 2019, the cost of leased property and equipment under capital leases was \$7,020 and accumulated depreciation was \$4,095 and \$2,691, respectively. Total rent expense for all operating leases for both years ended August 31, 2020 and 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>	Operating Lease	Capital Lease
2021	\$ 46,170	\$ 1,404
2022	42,323	1,404
2023	-	117
Total Minimum Lease Payments	<u>\$ 88,493</u>	<u>\$ 2,925</u>

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**NOTE 10 NET ASSETS**

**Net Assets With Donor Restrictions**

Net assets with donor restrictions are available for the following purposes or periods as of August 31, 2020 and 2019:

	2020	2019
Subject to Expenditure for Specified Purpose:		
Wish Granting	\$ 33,838	\$ 153,894
Total	33,838	153,894
Subject to Passage of Time:		
Assets Held under Split Interest Agreements	9,564	8,415
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	525,656	673,884
Total	535,220	682,299
Total Donor Restricted Net Assets	<u>\$ 569,058</u>	<u>\$ 836,193</u>

**NOTE 11 RETIREMENT PLAN**

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of 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 years ended August 31, 2020 and 2019 were \$26,050 and \$30,200, respectively.

**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.

**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.

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**NOTE 14 COMMITMENTS**

The goal of the Foundation is to grant the wish of every eligible child. During the years ended August 31, 2020 and 2019, the Foundation granted 55 and 92 wishes, respectively. As of August 31, 2020 and 2019, respectively, there were approximately 100 and 90 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2020 was \$9,103 in cash and \$4,627 in in-kind for a total cost of \$13,730. The average cost of a wish for the year ended August 31, 2019 was \$10,303 in cash and \$4,433 in in-kind for a total cost of \$14,736.

**NOTE 15 RISKS AND UNCERTAINTIES**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) began. On March 10, 2020, in conjunction with the Make-A-Wish America National Medical Advisory Council, Make-A-Wish America issued instructions to pause travel and large gathering wishes until deemed medically safe for our vulnerable population and their families. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic.

As of August 31, 2020, with only a few local exceptions, travel wishes are still paused. Over the past three years, travel wishes have been approximately 76% of wishes granted and the number of granted wishes averaged approximately 80. The number of wishes granted in the current year was 55.

In addition to the impact on travel and large gathering wishes, the Foundation has also cancelled or converted fundraising events to virtual events. The Foundation continues to evaluate all expenses and fundraising efforts in light of the impact of COVID-19. National efforts are underway to return to wish granting and fundraising efforts when it is deemed medically safe.

From an operational perspective, the Foundation's office closed and transitioned the staff to work from home as of March 16, 2020. The office has been (partially). Temporary internal control policies were written to accommodate for the closure.

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**NOTE 16 PAYCHECK PROTECTION PROGRAM**

The Foundation applied for and was approved a \$142,383 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan was received on April 22, 2020. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the federal government. The repayment schedule is below.

<u>Year Ending August 31,</u>	<u>Amount</u>
2021	\$ 87,012
2022	55,371
Total	<u>\$ 142,383</u>

**NOTE 17 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through December 28, 2020, the date at which the financial statements were available to be issued

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