

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**FINANCIAL STATEMENTS**  
**YEAR ENDED AUGUST 31, 2018**

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE  
TABLE OF CONTENTS  
YEAR ENDED AUGUST 31, 2018**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENT OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENT OF ACTIVITIES</b>	<b>4</b>
<b>STATEMENT OF FUNCTIONAL EXPENSES</b>	<b>5</b>
<b>STATEMENT OF CASH FLOWS</b>	<b>6</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>7</b>

## 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, 2018, 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.

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

***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, 2018, 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.

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Boston, Massachusetts  
December 20, 2018

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**STATEMENT OF FINANCIAL POSITION**  
**AUGUST 31, 2018**

**ASSETS**

Cash and Cash Equivalents	\$	281,907
Investments		1,336,423
Due from Related Entities		23,356
Prepaid Expenses and Other Assets		35,803
Contributions Receivable, Net		508,032
Split-Interest Agreement		8,866
Property and Equipment, Net		14,847
		14,847
Total Assets	\$	2,209,234

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable and Accrued Expenses	\$	44,148
Accrued Pending Wish Costs - Cash		505,791
Accrued Pending Wish Costs - In-Kind		200,087
Due to Related Entities		22,224
Deferred Rent		3,255
Capital Lease Obligations		5,733
Total Liabilities		781,238

**NET ASSETS**

Unrestricted		895,972
Temporarily Restricted		532,024
Total Net Assets		1,427,996
Total Liabilities and Net Assets	\$	2,209,234

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2018**

	Unrestricted	Temporarily Restricted	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions	\$ 1,727,212	\$ 408,741	\$ 2,135,953
Grants	25,102	-	25,102
Total Public Support	1,752,314	408,741	2,161,055
Internal Special Events	152,741	2,853	155,594
Total Internal Special Events	152,741	2,853	155,594
Investment Income	140,828	-	140,828
Other Income	9,952	-	9,952
Net Assets Released from Restrictions	317,010	(317,010)	-
	2,372,845	94,584	2,467,429
<b>EXPENSES</b>			
Program Services:			
Wish Granting	1,336,797	-	1,336,797
Program-Related Support	833,265	-	833,265
Total Program Services	2,170,062	-	2,170,062
Support Services:			
Fundraising	231,055	-	231,055
Management and General	67,918	-	67,918
Total Support Services	298,973	-	298,973
Total Expenses	2,469,035	-	2,469,035
<b>NONOPERATING ACTIVITIES</b>			
Change in Value of Split-Interest Agreement	-	629	629
Loss on Fixed Asset Disposal	(75)	-	(75)
Total Other Gains (Losses)	(75)	629	554
<b>CHANGE IN NET ASSETS</b>	(96,265)	95,213	(1,052)
Net Assets - Beginning of Year	992,237	436,811	1,429,048
<b>NET ASSETS - END OF YEAR</b>	\$ 895,972	\$ 532,024	\$ 1,427,996

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2018**

	Program Services			Support Services			Total
	Wish Granting	Program-Related Support	Total Program Services	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,343,569	\$ -	\$ 1,343,569	\$ -	\$ -	\$ -	\$ 1,343,569
Change in Pending Wish Liabilities	(6,772)	-	(6,772)	-	-	-	(6,772)
Salaries, Taxes, and Benefits	-	468,140	468,140	124,670	43,364	168,033	636,173
Printing, Subscriptions, and Publications	-	4,848	4,848	10,458	462	10,919	15,767
Professional Fees	-	2,745	2,745	661	6,987	7,648	10,393
Rent and Utilities	-	38,112	38,112	9,842	2,602	12,444	50,556
Postage and Delivery	-	4,342	4,342	3,815	317	4,132	8,474
Travel	-	32,010	32,010	10,175	1,039	11,214	43,224
Meetings and Conferences	-	12,657	12,657	2,269	533	2,802	15,459
Office Supplies	-	2,173	2,173	680	131	811	2,984
Communications	-	7,809	7,809	1,867	514	2,381	10,190
Advertising and Media (Cash)	-	3,485	3,485	-	-	-	3,485
Advertising and Media (In-Kind)	-	133,540	133,540	-	-	-	133,540
Repairs and Maintenance	-	12,300	12,300	10,411	800	11,211	23,511
Bad Debt Expense	-	-	-	3,644	-	3,644	3,644
Membership Dues	-	2,927	2,927	671	13	684	3,611
Volunteer Training	-	218	218	-	-	-	218
National Partnership Dues	-	59,390	59,390	8,269	7,518	15,787	75,177
Miscellaneous	-	44,849	44,849	42,567	3,380	45,949	90,798
Depreciation and Amortization	-	3,720	3,720	1,056	258	1,314	5,034
Total	<u>\$ 1,336,797</u>	<u>\$ 833,265</u>	<u>\$ 2,170,062</u>	<u>\$ 231,055</u>	<u>\$ 67,918</u>	<u>\$ 298,973</u>	<u>\$ 2,469,035</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 1,336,797</u>	<u>\$ 833,265</u>	<u>\$ 2,170,062</u>	<u>\$ 231,055</u>	<u>\$ 67,918</u>	<u>\$ 298,973</u>	<u>\$ 2,469,035</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE  
STATEMENT OF CASH FLOWS  
YEAR ENDED AUGUST 31, 2018**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ (1,052)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Depreciation and Amortization	5,034
Bad Debt Expense	3,644
Net Realized and Unrealized Gains on Investments	(82,049)
Change in Value of Split-Interest Agreement	(629)
(Increase) Decrease in Assets:	
Contributions Receivable	(100,803)
Due from Related Entities	23,288
Prepaid Expenses	(6,519)
(Increase) Decrease in Liabilities:	
Accounts Payable and Accrued Expenses	(10,868)
Accrued Pending Wish Costs	(6,772)
Due to Related Entities	9,027
Deferred Rent	2,995
Net Cash Used by Operating Activities	<u>(164,704)</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Purchases of Investments	(236,719)
Proceeds from Sales of Investments	61,086
Purchases of Property and Equipment	<u>(3,671)</u>
Net Cash Used by Investing Activities	<u>(179,304)</u>

**CASH FLOWS FROM FINANCING ACTIVITIES**

Principal Payments on Capital Lease Obligations	<u>(1,842)</u>
Net Cash Used by Financing Activities	<u>(1,842)</u>

**NET DECREASE IN CASH AND CASH EQUIVALENTS**

(345,850)

Cash and Cash Equivalents - Beginning of Year

627,757

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

\$ 281,907



**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2018**

**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. Included in cash and cash equivalents at August 31, 2018 is \$125,836 of certificates of deposit, respectively, with an initial term of less than three months and \$10,091, respectively, of money market mutual funds.

**Investments**

Investments are recorded at fair value. Investment income, including gains and losses on investments, is recorded as increases or decreases in unrestricted 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.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2018**

**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, 2018**

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

**Net Assets**

The Foundation's net assets and changes therein are classified and reported as follows:

Permanently Restricted Net Assets – Net assets subject to donor-imposed restrictions that the principal be maintained in perpetuity. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for unrestricted purposes.

Temporarily Restricted Net Assets – Net assets subject to restrictions imposed by donor or law that may be met either by actions of the Foundation or the passage of time.

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions or law.

**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, grants, and bequests are recognized as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. When restrictions are met in the same period as the contribution is received, the Foundation records the contribution and the expense as unrestricted. 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 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	\$ 418,571	\$ -	\$ -	\$ 418,571
Professional Services	-	-	6,300	6,300
Advertising and Media	83,540	-	-	83,540
Other	1,448	4,959	27	6,434
Total Program and Support Service Expenses	<u>\$ 503,559</u>	<u>\$ 4,959</u>	<u>\$ 6,327</u>	<u>\$ 514,845</u>

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2018**

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

**Revenue Recognition (Continued)**

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, 2018. 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 & 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, 2018 and, the Foundation incurred no significant joint costs for activities that included fundraising appeals.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2018**

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

**Functional Expenses (Continued)**

**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 \$3,255 at August 31, 2018.

**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.

**NOTE 3 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, 2018 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, 2018**

**NOTE 3 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.

Allocation of Investment Strategies

In addition to traditional stock and fixed income securities, the Foundation may also hold shares or units in traditional institutional funds as well as in alternative investment funds involving hedged strategies, private equity, and real asset strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists and may include stock, bonds, put or call options, swaps, currency hedges, and other instruments, and are valued accordingly. Private equity funds employ buy-out and venture capital strategies and focus on investments in turn-around situations. Real asset funds generally hold interests in public real estate investment trusts (REITS) or commercial real estate through sole-member entities. Private equity and real asset strategies therefore often require the estimation of fair values by the fund managers in the absence of readily determinable market values. Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and the differences could be material. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. Moreover, the fair values of the Foundation's interests in shares or units of these funds, because of liquidity and capital commitment terms that vary depending on the specific fund or partnership agreement, may differ from the fair value of the funds' underlying net assets.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2018**

**NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)**

**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, 2018 :

	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Total</u>
Investments:				
Mutual Funds:				
Domestic Equity	\$ 967,244	\$ -	\$ -	\$ 967,244
International Equity	81,638	-	-	81,638
Bonds	189,171	-	-	189,171
Exchange-Traded Funds:				
Bonds	98,370	-	-	98,370
Total Investments	<u>\$ 1,336,423</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,336,423</u>
Split-Interest Agreement	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,866</u>	<u>\$ 8,866</u>

For the valuation of the split-interest agreement at August 31, 2018, the Foundation used significant unobservable inputs including information from owner-to-owner transactions and the Foundation's own assumptions (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, 2018:

Beginning Balance	\$ 8,237
Change in Value of Split-Interest Agreement	629
Ending Balance	<u>\$ 8,866</u>

Total investment income and gains for the years ended August 31, 2018 consist of the following:

Interest and Dividend Income	\$ 58,779
Realized and Unrealized Gains, Net	82,049
Investment Income	<u>\$ 140,828</u>

The investment income, net, of \$140,828 on the statement of activities, includes \$3,122, respectively, of interest from certificates of deposit included in cash equivalents in 2018.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2018**

**NOTE 4 CONTRIBUTIONS RECEIVABLE**

Contributions receivable include pledges that have been discounted at rates ranging from 0.75% to 1.93% at August 31, 2018. The following is a summary of the Foundation's contributions receivable at August 31:

Total Amounts Due in:	
One Year	\$ 356,308
Two to Five Years	194,872
Gross Contributions Receivable	<u>551,180</u>
Less: Allowance for Doubtful Accounts	(30,722)
Less: Discount to Present Value	(12,426)
Contributions Receivable, Net	<u><u>\$ 508,032</u></u>

**NOTE 5 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 6 TRANSACTIONS WITH RELATED PARTIES**

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, 2018**

**NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)**

The Foundation received the following distributions from the National Organization for the years ended August 31, 2018:

Corporate, Online, Whitemail, and General Contributions	\$ 282,072
Gifts and Travel Reimbursements	500
Grants	1,000
Scholarships	900
Other	7,202
Total Distributions Received	<u>\$ 291,674</u>

Conversely, the Foundation also pays amounts to the National Organization for annual dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation. The Foundation paid to the National Organization the following amounts for the years ended August 31:

Partnership Dues	\$ 75,177
Total Amounts Paid	<u>\$ 75,177</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 Foundation received \$600 for the year ended August 31, 2018, which is recorded in the accompanying statements of activities as other income.

Amounts due from and to related entities are as follows:

Balance at August 31:	
Due from National Organization	\$ 16,287
Due from Other Chapters	7,069
Total Due from Related Entities	<u>\$ 23,356</u>
Due to Other Chapters	22,224
Total Due to Related Entities	<u>\$ 22,224</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 2018, the Foundation received contributions, both cash and in-kind, from board members totaling \$59,622. In 2018, amounts due from board members totaled \$86,667 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 \$5,231 in 2018.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2018**

**NOTE 7 PROPERTY AND EQUIPMENT**

Property and equipment as of August 31, 2018 consist of the following:

Computer Equipment and Software	\$ 41,056
Office Furniture	7,730
Total	<u>48,786</u>
Less: Accumulated Depreciation and Amortization	<u>(33,939)</u>
Property and Equipment, Net	<u>\$ 14,847</u>

Depreciation and amortization expense totaled \$5,034 for the year ended August 31, 2018.

**NOTE 8 ACCRUED PENDING WISH COSTS**

The Foundation accrues for estimated costs of reportable pending wishes when five certain, measurable wish criteria are met. Prior to meeting these five criteria, the wish is not considered an obligation due to the inherent uncertainties surrounding these criteria and is therefore not accrued as a pending wish. This accrual does not represent a legally binding liability but is considered a moral obligation to the child by the Foundation arising when the five criteria are met. Reportable pending wish criteria include:

1. Receiving a referral,
2. Obtaining the required medical eligibility form,
3. Contact with the wish family has occurred to determine the prospective wish,
4. Determination that the wish falls within the National Organization's wish granting policy,
5. The wish is expected to be granted within the next 12 months.

The in-kind portion of the pending wish liability includes the estimated in-kind expenses that are expected to be incurred in fulfilling each wish even though the matching in-kind revenues are not recognized until the in-kind goods or services, or an unconditional promise for those in-kind goods or services, are received. Although not fully guaranteed, if the related expected in-kind revenue were recognized in the same fiscal period as the expected in-kind expense, total net assets at August 31, 2018 would increased by \$111,667 resulting in adjusted net assets of \$1,539,663.

In 2018, the Foundation made a change in calculation of accrued pending wish costs. The change simplified the methodology to more closely align the calculation with criteria five "The wish is expected to be granted in the next 12 months." The Foundation limited the number of wishes anticipated to be completed to the lesser of approved wishes or the historical average of wishes granted in the past three years. As a result, the Foundation may have experienced a change in liability beyond the change in approved wishes. As of August 31, 2018, the Foundation had approximately 50 reportable pending wishes, respectively.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2018**

**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, 2018, the cost of leased property and equipment under capital leases was \$7,020. Accumulated depreciation as of August 31, 2018 was \$1,287. Total rent expense for the operating lease for the year ended August 31, 2018 totaled \$46,173.

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>
2019	\$ 46,170	\$ 1,404
2020	46,170	1,404
2021	46,170	1,404
2022	42,323	1,404
2023	-	117
Total Minimum Lease Payments	<u>\$ 180,833</u>	<u>\$ 5,733</u>

**NOTE 10 TEMPORARILY AND PERMANENTLY RESTRICTED NET ASSETS**

Temporarily restricted net assets are available for the following purposes for the year ended August 31, 2018:

Time Restrictions	\$ 419,803
Purpose Restrictions	112,221
Total Temporarily Restricted Net Assets	<u>\$ 532,024</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 year ended August 31, 2018 were \$28,249.

**MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2018**

**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 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 \$199,593 were received from a single donor for the year ended August 31, 2018, which represents 9% 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 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through December 20, 2018, the date at which the financial statements were available to be issued.



Investment advisory services are offered through CliftonLarsonAllen  
Wealth Advisors, LLC, an SEC-registered investment advisor.