

MAKE-A-WISH FOUNDATION INTERNATIONAL
FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2019 AND 2018



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**MAKE-A-WISH FOUNDATION INTERNATIONAL
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation International
Phoenix, Arizona

We have audited the accompanying financial statements of Make-A-Wish Foundation International (the Foundation), which comprise the statements of financial position as of August 31, 2019 and 2018, 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Make-A-Wish Foundation International

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Make-A-Wish Foundation International as of August 31, 2019 and 2018, and changes 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

Phoenix, Arizona
July 27, 2020

MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2019 AND 2018

	2019	2018
ASSETS		
Cash and Cash Equivalents	\$ 1,905,423	\$ 1,835,683
Investments	538,713	550,908
Receivables, Other	56,341	1,815
Contributions Receivable, Net	914,165	513,983
Due from Affiliates	555,773	361,414
Prepaid Expenses	41,066	59,935
Equipment, Net of Accumulated Depreciation	591,409	907,069
Total Assets	\$ 4,602,890	\$ 4,230,807
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 261,235	\$ 180,336
Due to Affiliates	1,133,127	639,093
Deferred Affiliate Member Dues	516,968	506,096
Total Liabilities	1,911,330	1,325,525
NET ASSETS		
Without Donor Restriction	1,777,395	2,391,299
With Donor Restriction	914,165	513,983
Total Net Assets	2,691,560	2,905,282
Total Liabilities and Net Assets	\$ 4,602,890	\$ 4,230,807

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2019
(WITH SUMMARY TOTALS FOR YEAR ENDED AUGUST 31, 2018)

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Totals</u>	<u>2018 Total</u>
SUPPORT AND REVENUE				
Contributions and Grants	\$ 3,768,997	\$ 3,534,190	\$ 7,303,187	\$ 6,480,801
Affiliate Member Dues	1,540,032	-	1,540,032	1,538,787
Conference Income	56,000	-	56,000	34,800
Investment Income	(10,622)	-	(10,622)	44,273
Other Income	435	-	435	-
Net Assets Released from Restriction	3,134,008	(3,134,008)	-	-
Total Support and Revenue	<u>8,488,850</u>	<u>400,182</u>	<u>8,889,032</u>	<u>8,098,661</u>
EXPENSES				
Program Services	7,836,544	-	7,836,544	6,909,125
Supporting Services:				
Management and General	786,976	-	786,976	597,745
Fundraising	479,234	-	479,234	535,947
Total Expenses	<u>9,102,754</u>	<u>-</u>	<u>9,102,754</u>	<u>8,042,817</u>
CHANGES IN NET ASSETS	(613,904)	400,182	(213,722)	55,844
Net Assets - Beginning of Year	<u>2,391,299</u>	<u>513,983</u>	<u>2,905,282</u>	<u>2,849,438</u>
NET ASSETS - END OF YEAR	<u>\$ 1,777,395</u>	<u>\$ 914,165</u>	<u>\$ 2,691,560</u>	<u>\$ 2,905,282</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2018

	Without Donor Restriction	With Donor Restriction	Totals
SUPPORT AND REVENUE			
Contributions and Grants	\$ 5,611,010	\$ 869,791	\$ 6,480,801
Affiliate Member Dues	1,538,787	-	1,538,787
Conference Income	34,800	-	34,800
Investment Income, Net	44,273	-	44,273
Net Assets Released from Restriction	1,592,850	(1,592,850)	-
Total Support and Revenue	8,821,720	(723,059)	8,098,661
 EXPENSES			
Program Services	6,909,125	-	6,909,125
Supporting Services:			
Management and General	597,745	-	597,745
Fundraising	535,947	-	535,947
Total Expenses	8,042,817	-	8,042,817
 CHANGE IN NET ASSETS	778,903	(723,059)	55,844
 Net Assets - Beginning of Year	1,612,396	1,237,042	2,849,438
 NET ASSETS - END OF YEAR	\$ 2,391,299	\$ 513,983	\$ 2,905,282

See accompanying Notes to Financial Statements.

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

EXPENSES	Supporting Services			Total
	Program Services	Management and General	Fundraising	
Salaries	\$ 802,184	\$ 402,741	\$ 201,363	\$ 1,406,288
Employee Benefits and Related Payroll Expenses	250,972	109,479	28,370	388,821
Total Personnel Costs	1,053,156	512,220	229,733	1,795,109
Dues and Subscriptions	90,052	4,728	11,026	105,806
Insurance - General	18,656	9,164	4,910	32,730
Miscellaneous	25,158	12,359	6,621	44,138
Postage and Delivery	2,277	623	1,089	3,989
Printing and Duplication	501	-	1,176	1,677
Professional Fees	569,676	119,287	104,174	793,137
Programs	5,473,309	-	-	5,473,309
Rent	54,308	26,678	14,292	95,278
Supplies	924	249	6,993	8,166
Telephone	3,308	1,009	1,303	5,620
Training	282,946	990	530	284,466
Travel	81,195	10,718	49,735	141,648
Total Expenses Before Depreciation	7,655,466	698,025	431,582	8,785,073
Depreciation	181,078	88,951	47,652	317,681
Total Functional Expenses	\$ 7,836,544	\$ 786,976	\$ 479,234	\$ 9,102,754

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2018

EXPENSES	Supporting Services			Total
	Program Services	Management and General	Fundraising	
Salaries	\$ 1,019,873	\$ 390,448	\$ 212,819	\$ 1,623,140
Employee Benefits and Related Payroll Expenses	337,024	93,069	37,090	467,183
Total Personnel Costs	1,356,897	483,517	249,909	2,090,323
Dues and Subscriptions	63,191	3,318	16,994	83,503
Insurance - General	10,955	4,828	2,785	18,568
Miscellaneous	21,962	9,680	5,584	37,226
Postage and Delivery	3,022	965	1,433	5,420
Printing and Duplication	1,144	-	436	1,580
Professional Fees	330,712	45,571	130,469	506,752
Programs	4,394,199	-	-	4,394,199
Rent	58,025	25,570	14,752	98,347
Supplies	12,950	1,217	3,347	17,514
Telephone	9,620	2,590	5,177	17,387
Training	241,396	319	6,778	248,493
Travel	91,233	16,429	96,124	203,786
Total Expenses Before Depreciation	6,595,306	594,004	533,788	7,723,098
Depreciation	313,819	3,741	2,159	319,719
Total Functional Expenses	\$ 6,909,125	\$ 597,745	\$ 535,947	\$ 8,042,817

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2019 AND 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ (213,722)	\$ 55,844
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	317,681	319,719
Realized Gains on Investments	(12,066)	(11,302)
Unrealized (Gains) Losses on Investments	41,468	(28,553)
Increase (Decrease) in Cash Resulting from Changes in:		
Receivables, Other	(54,526)	2,332
Contributions Receivable	(400,182)	693,530
Due from Affiliates	(194,359)	284,020
Prepaid Expenses	18,869	6,652
Accounts Payable and Accrued Expenses	80,899	(17,047)
Due to Affiliates	494,034	(107,368)
Deferred Affiliate Member Dues	10,872	(20,500)
Deferred Rent Liability	-	(18,881)
Net Cash Provided by Operating Activities	88,968	1,158,446
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	-	(66,156)
Proceeds on Sale of Investments	(17,207)	61,888
Purchases of Equipment	(2,021)	(87,168)
Net Cash Used by Investing Activities	(19,228)	(91,436)
NET INCREASE IN CASH AND CASH EQUIVALENTS	69,740	1,067,010
Cash and Cash Equivalents - Beginning of Year	1,835,683	768,673
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 1,905,423	\$ 1,835,683

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 1 ORGANIZATION

Organization

Make-A-Wish Foundation International (the Foundation) is a nonprofit organization with 40-chartered international affiliates. The Foundation is organized and operated exclusively for the charitable purpose of increasing the opportunity of children of the world, with a life-threatening medical condition, to realize their wishes.

Reporting Entity

The accompanying financial statements include only the accounts and transactions of the Foundation. The international affiliates are separate entities with separate boards of directors and as such are responsible for, and maintain custody of, and generate their own financial resources. Accordingly, the accounts and transactions of the international affiliates are not included in these financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are presented in accordance with American Institute of Certified Public Accountants (AICPA) Not-for-Profit Industry Guidance within the Financial Accounting Standards Board (FASB) Codification (Guidance). Under the Guidance, the Foundation is required to report information regarding the financial position and activities according to two classes of net assets: without donor-restricted and with donor-restricted net assets as follows:

Net Assets Without Donor Restriction – Resources over which the board of directors has discretionary control.

Net Assets With Donor Restriction – Resources subject to a donor-imposed restriction which will be satisfied by actions of the Foundation or the passage of time. Some donor 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The donors of these resources permit the Foundation to use all or part of the income earned, including capital appreciation, or related investments for with or without donors restricted purposes. The Foundation does not have any perpetually restricted net assets.

Use of Estimates in the Preparation of Financial Statements

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.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Foundation considers all highly liquid assets with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents may include cash on hand or held by financial institutions.

Investments

Investments are recorded at fair value. Investment income includes interest, dividends, and if applicable, realized and unrealized gains and losses.

Contributions Receivable

Unconditional promises to give (contributions receivable) are recognized as revenues in the period the promise is received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates at the time of the unconditional promise to give. Amortization of the discount is included in contribution support. Management provides for probable uncollectible amounts through a charge to operations and an increase to a valuation allowance based on its assessment of the current status of individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction of the receivables.

Affiliate Member Dues

As of August 31, 2019 and 2018, the Organization has 40 and 41 affiliates, respectively, that pay annual affiliate member dues for the nonexclusive right and sublicense to use the trademarks and service marks for use in performance of the charitable purpose. Affiliate member dues are paid annually by each affiliate and are deferred and recognized over the period to which the dues relate.

Equipment and Related Depreciation

Purchased equipment is initially recorded at cost and donated property and equipment are recorded at the fair value at the date of gift to the Foundation. Maintenance and repairs are charged to operations when incurred. Betterments and renewals in excess of \$500 are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any gain or loss is included in operations. Depreciation of equipment is computed on a straight-line basis over the estimated useful lives, generally three to seven years.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators were present at August 31, 2019 and 2018.

Contributions

Contributions received are recorded as without or with donor-restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in with donor-restricted net assets depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished or a donor removes a restriction), with donor-restricted net assets are reclassified to without donor-restricted net assets and reported in the statement of activities and changes in net assets as net assets released from restriction. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues in without donor-restricted net assets. The Foundation recorded \$4,162,652 and \$3,841,572 of cash contributions and grants during the years ended August 31, 2019 and 2018, respectively. The Foundation received 49% and 48% of its contribution and grant support from one and two donors, respectively, for both years ended August 31, 2019 and 2018.

Donated Assets and Services

Donated marketable securities, equipment, and other noncash donations are recorded as contributions at their estimated fair values at the date of donation, if an objective basis is available to measure the value of such items. The Foundation pays for most services requiring specific expertise. However, if such services or assets are donated and the value is ascertainable, the fair value is reflected in the financial statements as revenue and expense. The Foundation recorded \$3,140,535 and \$2,639,229 of in-kind contributions for airline flights, hotel accommodations, and toys during the years ended August 31, 2019 and 2018, respectively. The Foundation received 91% of its in-kind contributions from two donors during the years ended August 31, 2019 and 2018, respectively.

Volunteers donate significant amounts of their time to the Foundation's mission; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

**MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Agent on Behalf of Affiliated Organizations

In certain cases, the Foundation may act as an agent for an affiliated organization. These agency transactions are treated as pass through funds and are carried as funds held as agent for affiliates until they are distributed.

Advertising

Advertising costs are expensed as incurred.

Functional Allocation of Expenses

Expenses are directly allocated to the various programs and support services when possible and indirectly allocated based on staff time spent in that area and the best estimates of management.

Income Taxes

The Foundation is a nonprofit charitable organization which qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and, accordingly, no provision for federal or state corporate income taxes has been made in the accompanying financial statements. The Foundation qualifies for the charitable contribution deduction under Section 170 of the IRC and has been classified as an organization that is not a private foundation under Section 509(a).

Management believes that the Foundation has no uncertain tax positions as of August 31, 2019 and 2018.

Adoption of Accounting Principles

In August 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. We have implemented ASU 2016-14 and have adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented.

NOTE 3 INVESTMENTS

A summary of investments at August 31 consists of the following:

	2019	2018
Equities	\$ 7,399	\$ 356,260
Bonds	9,774	189,787
Money Market	521,540	4,861
Total	\$ 538,713	\$ 550,908

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification* (ASC) 820, *Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments

The Foundation's investments are held in funds with Fidelity Investments. The fair value on these investments held by the Foundation is readily available and is based upon unadjusted quoted market prices. Equity securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Investments (Continued)

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of August 31, 2019:

	2019 Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Equities:				
U.S. Large Cap	\$ 7,399	\$ -	\$ -	\$ 7,399
Bonds:				
U.S. Corporate Bonds	9,774	-	-	9,774
Cash and Cash Equivalents:				
Money Markets	-	-	-	521,540
Total Assets at Fair Value	\$ 17,173	\$ -	\$ -	\$ 538,713

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of August 31, 2018:

	2018 Fair Value Measurements			
	Level 1	Level 2	Level 3	Total
Equities:				
U.S. Large Cap	\$ 227,287	\$ -	\$ -	\$ 227,287
U.S. Mid Cap/Small Cap	35,380	-	-	35,380
Actively Traded Alternatives	17,129	-	-	17,129
Non-U.S. Equity	76,464	-	-	76,464
Total Equities	356,260	-	-	356,260
Bonds:				
U.S. Corporate Bonds	187,051	-	-	187,051
Non-U.S. Corporate Bonds	2,736	-	-	2,736
Total Bonds	189,787	-	-	189,787
Cash and Cash Equivalents:				
Money Markets	-	-	-	4,861
Total Assets at Fair Value	\$ 546,047	\$ -	\$ -	\$ 550,908

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable as of August 31, 2019 were \$914,165 of which 77% is due from two donors. Contributions receivable as of August 31, 2018 was \$513,983 of which 54% is due from two donors. All contributions receivable are due within the next 12 months. Management believes that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts was considered necessary at August 31, 2019 and 2018.

NOTE 6 EQUIPMENT

A summary of equipment at August 31 consists of the following:

	2019	2018
Office Furniture and Equipment	\$ 73,446	\$ 114,211
Internal Use Software	1,570,228	1,527,442
Total	1,643,674	1,641,653
Less: Accumulated Depreciation	(1,052,265)	(734,584)
Net Equipment	<u>\$ 591,409</u>	<u>\$ 907,069</u>

Depreciation expense was \$317,681 and \$319,719 for the years ended August 31, 2019 and 2018, respectively.

NOTE 7 RELATED PARTY TRANSACTIONS

The Foundation receives membership dues from the international affiliates and sponsors conferences and events for which it incurs costs that are reimbursed by the participating affiliates. Amounts due from affiliates were \$555,773 and \$361,414 at August 31, 2019 and 2018, respectively. Four affiliates accounted for 76% and three affiliates accounted for 84% of the total due from affiliates at August 31, 2019 and 2018, respectively.

Affiliate dues recognized during the years ended August 31, 2019 and 2018 totaled \$1,540,032 and \$1,538,787, respectively, and distributions to affiliates totaled \$5,473,309 and \$4,394,199 for the years ended August 31, 2019 and 2018, respectively.

The Foundation accepts donations on behalf of the international affiliates and disburses these funds to affiliates on a monthly basis. These affiliate transactions are reported as funds held for affiliates until they are distributed. Additionally, the Foundation may hold certain funds for affiliate organizations at their request. Amounts due to affiliates were \$1,133,127 and \$639,093 at August 31, 2019 and 2018, respectively.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 8 WITH DONOR-RESTRICTED NET ASSETS

With donor-restricted net assets consist of the following at August 31:

	2019	2018
Time Restrictions	\$ 914,165	\$ 513,983

Net assets of \$3,134,190 and \$1,592,850 were released from time restrictions due to collection of the contributions receivable and the satisfaction of donor restrictions during the years ended August 31, 2019 and 2018, respectively.

NOTE 9 EMPLOYEE BENEFIT PLAN

In 2003, the Foundation adopted a SIMPLE-IRA plan which covers all employees from their hire date. The Foundation matches each employee's elective deferral on a dollar-for-dollar basis up to 3-5% of the employee's compensation or other defined limits, based on length of employment. Matching contributions of \$29,999 and \$48,079 were made to the SIMPLE-IRA plan for the years ended August 31, 2019 and 2018, respectively.

NOTE 10 OPERATING LEASES

The Foundation entered into a sublease for office space through August 31, 2020 with minimum rental payments between \$5,078 - \$5,294. The Foundation also has an operating lease for a copier, expiring August 31, 2021. On July 1, 2019, the Foundation entered into a new office space lease for \$2,315 per month expiring June 30, 2024. Lease expense under these leases was approximately \$95,277 and \$98,347 for the years ended August 31, 2019 and 2018, respectively. Future minimum lease payments under the operating leases are as follows:

Year Ending August 31,	Amount
2020	\$ 52,591
2021	32,819
2022	30,911
2023	30,911
2024	25,759
Total	\$ 172,991

NOTE 11 LINE OF CREDIT

The Foundation has a \$500,000 revolving line of credit agreement that expires on July 1, 2020. Interest accrues at 1% over the prime rate on the line of credit. There was \$-0- outstanding on the line of credit as of August 31, 2019 and 2018.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019 AND 2018

NOTE 12 CONCENTRATION OF CREDIT RISK

The Foundation maintains all of its cash with high-credit quality financial institutions. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. As of August 31, 2019 and 2018, a portion of cash balances at financial institutions exceeded the balance insured by the FDIC.

NOTE 13 LIQUIDITY AND AVAILABILITY

The Foundation regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents and a line of credit. See Note 11 for information about the Foundation's line of credit.

The table below presents financial assets available for general expenditures within one year as of August 31:

	<u>2019</u>	<u>2018</u>
Cash and Cash Equivalents	\$ 1,905,423	\$ 1,835,683
Investments	538,713	550,908
Receivables, Other	56,341	1,815
Contributions Receivable, Net	914,165	513,983
Due from Affiliates	<u>555,773</u>	<u>361,414</u>
Total Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 3,970,415</u>	<u>\$ 3,263,803</u>

NOTE 14 SUBSEQUENT EVENTS

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses and communities. During the period from September 1, 2019 through July 27, 2020, both domestic and international equity markets have experienced large declines. These losses are not included in the financial statements as of and for the year ended August 31, 2019.

Management believes the Foundation is taking appropriate actions to mitigate the negative financial impact. However, the full financial impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

Subsequent to year-end, the Foundation received a loan in the amount of \$37,059 to fund payroll, rent and utilities through the federal Paycheck Protection Program. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program.

