

**MAKE-A-WISH FOUNDATION INTERNATIONAL**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2020 AND 2019**



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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, 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 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 Foundation'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 Foundation'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 the Foundation as of August 31, 2020 and 2019, 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  
February 17, 2021

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

	2020	2019
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,100,604	\$ 1,905,423
Investments	601,588	538,713
Receivables, Other	30,744	56,341
Contributions Receivable, Net	300,350	914,165
Due from Affiliates	629,734	555,773
Prepaid Expenses	69,075	41,066
Equipment, Net of Accumulated Depreciation	308,265	591,409
Total Assets	\$ 4,040,360	\$ 4,602,890
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 188,149	\$ 261,235
Due to Affiliates	731,548	1,133,127
Deferred Affiliate Member Dues	516,728	516,968
Notes Payable	108,116	-
Total Liabilities	1,544,541	1,911,330
<b>NET ASSETS</b>		
Without Donor Restriction	2,065,469	1,777,395
With Donor Restriction	430,350	914,165
Total Net Assets	2,495,819	2,691,560
Total Liabilities and Net Assets	\$ 4,040,360	\$ 4,602,890

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION INTERNATIONAL**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2020**  
**(WITH SUMMARY TOTALS FOR YEAR ENDED AUGUST 31, 2019)**

	<u>Without Donor Restriction</u>	<u>With Donor Restriction</u>	<u>Totals</u>	<u>2019 Total</u>
<b>SUPPORT AND REVENUE</b>				
Contributions and Grants	\$ 5,850,641	\$ 1,671,589	\$ 7,522,230	\$ 7,303,187
Affiliate Member Dues	1,550,425	-	1,550,425	1,540,032
Conference Income	-	-	-	56,000
Investment Income	48,918	-	48,918	(10,622)
Other Income (Loss)	(19,916)	-	(19,916)	435
Net Assets Released from Restriction	2,155,404	(2,155,404)	-	-
Total Support and Revenue	<u>9,585,472</u>	<u>(483,815)</u>	<u>9,101,657</u>	<u>8,889,032</u>
<b>EXPENSES</b>				
Program Services	7,589,775	-	7,589,775	7,836,544
Supporting Services:				
Management and General	1,126,685	-	1,126,685	786,976
Fundraising	580,938	-	580,938	479,234
Total Expenses	<u>9,297,398</u>	<u>-</u>	<u>9,297,398</u>	<u>9,102,754</u>
<b>CHANGES IN NET ASSETS</b>	288,074	(483,815)	(195,741)	(213,722)
Net Assets - Beginning of Year	<u>1,777,395</u>	<u>914,165</u>	<u>2,691,560</u>	<u>2,905,282</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 2,065,469</u></u>	<u><u>\$ 430,350</u></u>	<u><u>\$ 2,495,819</u></u>	<u><u>\$ 2,691,560</u></u>

See accompanying Notes to Financial Statements.

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

	Without Donor Restriction	With Donor Restriction	Totals
<b>SUPPORT AND REVENUE</b>			
Contributions and Grants	\$ 3,768,997	\$ 3,534,190	\$ 7,303,187
Affiliate Member Dues	1,540,032	-	1,540,032
Conference Income	56,000	-	56,000
Investment Income, Net	(10,622)	-	(10,622)
Other Income	435	-	435
Net Assets Released from Restriction	3,134,008	(3,134,008)	-
Total Support and Revenue	8,488,850	400,182	8,889,032
<b>EXPENSES</b>			
Program Services	7,836,544	-	7,836,544
Supporting Services:			
Management and General	786,976	-	786,976
Fundraising	479,234	-	479,234
Total Expenses	9,102,754	-	9,102,754
<b>CHANGE IN NET ASSETS</b>	(613,904)	400,182	(213,722)
Net Assets - Beginning of Year	2,391,299	513,983	2,905,282
<b>NET ASSETS - END OF YEAR</b>	\$ 1,777,395	\$ 914,165	\$ 2,691,560

See accompanying Notes to Financial Statements.

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

<b>EXPENSES</b>	Supporting Services			Total
	Program Services	Management and General	Fundraising	
Personnel Costs:				
Salaries	\$ 496,293	\$ 425,052	\$ 151,246	\$ 1,072,591
Employee Benefits and Related Payroll Expenses	195,263	241,190	59,430	495,883
Total Personnel Costs	691,556	666,242	210,676	1,568,474
Dues and Subscriptions	130,357	1,903	16,954	149,214
Insurance - General	4,429	3,708	2,163	10,300
Miscellaneous	19,133	16,007	9,337	44,477
Postage and Delivery	1,350	619	706	2,675
Professional Fees	677,599	283,649	235,322	1,196,570
Programs	5,844,063	-	-	5,844,063
Rent	28,356	23,740	13,848	65,944
Supplies	8,638	5,333	6,802	20,773
Telephone	2,600	724	449	3,773
Training	21,964	-	5,333	27,297
Travel	27,621	14,158	14,830	56,609
Total Expenses Before Depreciation	7,457,666	1,016,083	516,420	8,990,169
Depreciation	132,109	110,602	64,518	307,229
Total Functional Expenses	\$ 7,589,775	\$ 1,126,685	\$ 580,938	\$ 9,297,398

See accompanying Notes to Financial Statements.



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

<b>EXPENSES</b>	Supporting Services			<u>Total</u>
	Program Services	Management and General	Fundraising	
Personnel Costs:				
Salaries	\$ 802,184	\$ 402,741	\$ 201,363	\$ 1,406,288
Employee Benefits and Related Payroll Expenses	<u>250,972</u>	<u>109,479</u>	<u>28,370</u>	<u>388,821</u>
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	<u>81,195</u>	<u>10,718</u>	<u>49,735</u>	<u>141,648</u>
Total Expenses Before Depreciation	7,655,466	698,025	431,582	8,785,073
Depreciation	<u>181,078</u>	<u>88,951</u>	<u>47,652</u>	<u>317,681</u>
 Total Functional Expenses	 <u>\$ 7,836,544</u>	 <u>\$ 786,976</u>	 <u>\$ 479,234</u>	 <u>\$ 9,102,754</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION INTERNATIONAL  
STATEMENTS OF CASH FLOWS  
YEARS ENDED AUGUST 31, 2020 AND 2019**

	2020	2019
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Changes in Net Assets	\$ (195,741)	\$ (213,722)
Adjustments to Reconcile Changes in Net Assets to Net Net Cash Provided by Operating Activities:		
Depreciation	307,229	317,681
Realized (Gains) Losses on Investments	1,976	(12,066)
Unrealized (Gains) Losses on Investments	(49,390)	41,468
Increase (Decrease) in Cash Resulting from Changes in:		
Receivables, Other	25,597	(54,526)
Contributions Receivable	613,815	(400,182)
Due from Affiliates	(73,961)	(194,359)
Prepaid Expenses	(28,009)	18,869
Accounts Payable and Accrued Expenses	(73,086)	80,899
Due to Affiliates	(401,579)	494,034
Deferred Affiliate Member Dues	(240)	10,872
Net Cash Provided by Operating Activities	126,611	88,968
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(18,300)	(17,207)
Proceeds on Sale of Investments	2,839	-
Purchases of Equipment	(24,085)	(2,021)
Net Cash Used by Investing Activities	(39,546)	(19,228)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Proceeds on Notes Payable	108,116	-
Net Cash Provided by Financing Activities	108,116	-
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	195,181	69,740
Cash and Cash Equivalents - Beginning of Year	1,905,423	1,835,683
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 2,100,604	\$ 1,905,423

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 2019**

**NOTE 1 ORGANIZATION**

**Organization**

Make-A-Wish Foundation International (the Foundation) is a nonprofit organization with 39-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, 2020 AND 2019**

**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, 2020 and 2019, the Foundation has 39 affiliates, 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, 2020 AND 2019**

**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, 2020 and 2019.

**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 \$3,266,927 and \$4,162,652 of cash contributions and grants during the years ended August 31, 2020 and 2019, respectively. The Foundation received 37% and 49% of its contribution and grant support from two and one donors, respectively, for both years ended August 31, 2020 and 2019.

**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 \$4,255,303 and \$3,140,535 of in-kind contributions for airline flights, hotel accommodations, theme park visits and professional fees during the years ended August 31, 2020 and 2019, respectively. The Foundation received 82% and 91% of its in-kind contributions from one and two donors during the years ended August 31, 2020 and 2019, 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, 2020 AND 2019**

**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, 2020 and 2019.

**Adoption of Accounting Principle**

In June 2018, FASB 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 the application of ASU 2018-08 guidance beginning in fiscal year 2020. The adoption of ASU 2018-08 did not impact the Foundation's reported revenue in total.

**MAKE-A-WISH FOUNDATION INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 2019**

**NOTE 3 INVESTMENTS**

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

	2020	2019
Equities	\$ 384,822	\$ 7,399
Bonds	205,172	9,774
Money Market	11,594	521,540
Total	\$ 601,588	\$ 538,713

**NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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.

**MAKE-A-WISH FOUNDATION INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 2019**

**NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)**

**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.

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, 2020:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Equities:				
U.S. Large Cap	\$ 384,822	\$ -	\$ -	\$ 384,822
Bonds:				
U.S. Corporate Bonds	205,172	-	-	205,172
Cash and Cash Equivalents:				
Money Markets	-	-	-	11,594
<b>Total Assets at Fair Value</b>	<b><u>\$ 589,994</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 601,588</u></b>

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
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
<b>Total Assets at Fair Value</b>	<b><u>\$ 17,173</u></b>	<b><u>\$ -</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 538,713</u></b>



**MAKE-A-WISH FOUNDATION INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 2019**

**NOTE 5 CONTRIBUTIONS RECEIVABLE**

Contributions receivable as of August 31, 2020 were \$300,350 of which 83% is due from two donors. Contributions receivable as of August 31, 2019 was \$914,165 of which 77% 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, 2020 and 2019.

**NOTE 6 EQUIPMENT**

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

	2020	2019
Office Furniture and Equipment	\$ 93,076	\$ 73,446
Internal Use Software	1,574,683	1,570,228
Total	1,667,759	1,643,674
Less: Accumulated Depreciation	(1,359,494)	(1,052,265)
Net Equipment	\$ 308,265	\$ 591,409

Depreciation expense was \$307,229 and \$317,681 for the years ended August 31, 2020 and 2019, 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 \$629,734 and \$555,773 at August 31, 2020 and 2019, respectively. Three affiliates accounted for 61% and four affiliates accounted for 76% of the total due from affiliates at August 31, 2020 and 2019, respectively.

Affiliate dues recognized during the years ended August 31, 2020 and 2019 totaled \$1,550,425 and \$1,540,032, respectively, and distributions to affiliates totaled \$5,844,063 and \$5,473,309 for the years ended August 31, 2020 and 2019, 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 \$731,548 and \$1,133,127 at August 31, 2020 and 2019, respectively.

**MAKE-A-WISH FOUNDATION INTERNATIONAL**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2020 AND 2019**

**NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions consist of the following at August 31:

	<u>2020</u>	<u>2019</u>
Time Restrictions	\$ 300,350	\$ 914,165
COVID-19 Relief	130,000	-
Total Net Assets With Donor Restrictions	<u>\$ 430,350</u>	<u>\$ 914,165</u>

Net assets of \$2,085,404 and \$3,134,190 were released from time restrictions due to collection of the contributions receivable and \$70,000 and \$-0- was released from the COVID-19 Relief Fund and the satisfaction of donor restrictions during the years ended August 31, 2020 and 2019, respectively.

**NOTE 9 EMPLOYEE BENEFIT PLAN**

In 2003, the Foundation adopted a SIMPLE-IRA plan which covers all U.S. 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. In addition, European employees can choose to participate in a benefit plan in which the Foundation pays up to one third of the premium. Matching contributions of \$38,443 and \$29,999 were made to the employee benefit plans for the years ended August 31, 2020 and 2019, respectively.

**NOTE 10 OPERATING LEASES**

The Foundation entered into a sublease for office space through August 31, 2020 that was amended in October 2019 to rental payments of \$1,648. The Foundation has an operating lease for a copier, expiring August 31, 2021. On July 1, 2019, the Foundation also entered into an office space lease for \$2,315 per month expiring June 30, 2024. Lease expense under these leases was approximately \$65,944 and \$95,277 for the years ended August 31, 2020 and 2019, respectively. Future minimum lease payments under the operating leases are as follows:

<u>Year Ending August 31,</u>	<u>Amount</u>
2021	\$ 35,920
2022	33,202
2023	27,668
Total	<u>\$ 96,790</u>

**NOTE 11 LINE OF CREDIT**

The Foundation has a \$500,000 revolving line of credit agreement that expires on September 1, 2021. Interest accrues at 1% over the prime rate on the line of credit which was 3.25% as of August 31, 2020. There was \$-0- outstanding on the line of credit as of August 31, 2020 and 2019.

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**NOTE 12 NOTES PAYABLE**

The Foundation applied for and was approved a \$37,059 loan under the Paycheck Protection Program (PPP) created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan was received on May 3, 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.

In addition to the PPP loan, the Foundation also received a loan of \$71,057 from the Dutch government as part of their relief efforts related to COVID-19. The loan was received on July 28, 2020 and is to be used for payroll. The Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan repayment is within one year unless forgiven.

<u>Year Ending August 31,</u>	<u>Amount</u>
2021	\$ 86,252
2022	21,864
Total	<u>\$ 108,116</u>

**NOTE 13 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, 2020 and 2019, a portion of cash balances at financial institutions exceeded the balance insured by the FDIC.

**NOTE 14 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>2020</u>	<u>2019</u>
Cash and Cash Equivalents	\$ 2,100,604	\$ 1,905,423
Investments	601,588	538,713
Receivables, Other	30,744	56,341
Contributions Receivable, Net	300,350	914,165
Due from Affiliates	<u>629,734</u>	<u>555,773</u>
Total Financial Assets Available to Meet General Expenditures within One Year	<u>\$ 3,663,020</u>	<u>\$ 3,970,415</u>

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**NOTE 15 RISKS AND UNCERTAINTIES**

In March 2020, 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. Management believes the Foundation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated since these events are still developing.

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