

MAKE-A-WISH FOUNDATION® OF MONTANA, INC.
FINANCIAL STATEMENTS
YEAR ENDED AUGUST 31, 2018

CliftonLarsonAllen LLP



WEALTH ADVISORY | OUTSOURCING | AUDIT, TAX, AND CONSULTING



**MAKE-A-WISH FOUNDATION® OF MONTANA, INC.
TABLE OF CONTENTS
YEAR ENDED AUGUST 31, 2018**

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



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Montana, Inc.
Missoula, Montana

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Montana, Inc. which comprise the statement of financial position as of August 31, 2018, and the related statements of activities, cash flows, and functional expenses for the year 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 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 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® of Montana, Inc.

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 Montana, Inc. as of August 31, 2018, and change in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
December 5, 2018

MAKE-A-WISH FOUNDATION® OF MONTANA, INC.
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2018

ASSETS

Cash	\$ 124,032
Due from Related Entities	7,277
Prepaid Expenses	6,194
Contributions Receivable, Net	36,436
Property and Equipment, Net	<u>6,351</u>
Total Assets	<u><u>\$ 180,290</u></u>

LIABILITIES AND NET ASSETS (DEFICIT)

LIABILITIES

Accounts Payable and Accrued Expenses	\$ 29,275
Accrued Pending Wish Costs - Cash	112,831
Accrued Pending Wish Costs - In-Kind	80,544
Due to Related Entities	6,161
Capital Lease Obligations	<u>5,021</u>
Total Liabilities	<u>233,832</u>

NET ASSETS (DEFICIT)

Unrestricted	(92,498)
Temporarily Restricted	<u>38,956</u>
Total Net Assets (Deficit)	<u>(53,542)</u>
Total Liabilities and Net Assets	<u><u>\$ 180,290</u></u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF MONTANA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2018

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions	\$ 497,006	\$ 36,436	\$ 533,442
Grants	119,514	2,520	122,034
Total Public Support	616,520	38,956	655,476
Internal Special Events	73,838	-	73,838
Less Costs of Direct Benefits to Donors	(7,344)	-	(7,344)
Total Special Events	66,494	-	66,494
Other Income	600	-	600
Net Assets Released from Restrictions	8,976	(8,976)	-
Total Revenues, Gains, and Other Support	692,590	29,980	722,570
EXPENSES			
Program Services:			
Wish Granting	534,528	-	534,528
Total Program Services	534,528	-	534,528
Support Services:			
Fundraising	105,626	-	105,626
Management and General	103,069	-	103,069
Total Support Services	208,695	-	208,695
Total Program and Support Services Expense	743,223	-	743,223
CHANGE IN NET ASSETS	(50,633)	29,980	(20,653)
Net Assets (Deficit) - Beginning of Year	(41,865)	8,976	(32,889)
NET ASSETS (DEFICIT) - END OF YEAR	\$ (92,498)	\$ 38,956	\$ (53,542)

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF MONTANA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2018

	Program	Support Services			Total
	Services				
	Wish	Fundraising	Management	Total	
	Granting		and General	Support	
				Services	Total
Direct Costs of Wishes	\$ 396,268	\$ -	\$ -	\$ -	\$ 396,268
Change in Pending Wish Liability	(17,413)	-	-	-	(17,413)
Salaries, Taxes, and Benefits	109,405	75,580	76,464	152,044	261,449
Printing, Subscriptions, and Publications	377	2,552	205	2,757	3,134
Professional Fees	11,000	6,934	13,454	20,388	31,388
Rent and Utilities	2,712	1,720	1,467	3,187	5,899
Postage and Delivery	860	526	336	862	1,722
Travel	675	603	584	1,187	1,862
Meetings and Conferences	5,080	6,732	3,331	10,063	15,143
Office Supplies	1,401	179	155	334	1,735
Communications	1,004	641	548	1,189	2,193
Advertising (In-Kind)	-	1,594	-	1,594	1,594
Repairs and Maintenance	127	80	69	149	276
Membership Dues	60	38	33	71	131
National Partnership Dues	15,991	2,227	2,024	4,251	20,242
Miscellaneous	4,282	4,519	2,932	7,451	11,733
Depreciation and Amortization	2,699	1,701	1,467	3,168	5,867
Special Event Expenses	-	7,344	-	7,344	7,344
Total	534,528	112,970	103,069	216,039	750,567
Less: Expenses Netted Against Revenues on the Statement of Activities:					
Special Event Expenses	-	(7,344)	-	(7,344)	(7,344)
 Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 534,528</u>	<u>\$ 105,626</u>	<u>\$ 103,069</u>	<u>\$ 208,695</u>	<u>\$ 743,223</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF MONTANA, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2018

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (20,653)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Depreciation and Amortization	5,867
(Increase) Decrease in Assets:	
Contributions Receivable	(31,560)
Due from Related Entities	(367)
Prepaid Expenses and Other Assets	1,853
Increase (Decrease) in Liabilities:	
Accounts Payable and Accrued Expenses	(7,475)
Accrued Pending Wish Costs	(17,413)
Due to Related Entities	2,253
Net Cash Used by Operating Activities	(67,495)

CASH FLOWS USED BY FINANCING ACTIVITIES

Principal Payments on Capital Lease Obligations	(1,569)
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NET DECREASE IN CASH

(69,064)

Cash - Beginning of Year

193,096

CASH - END OF YEAR

\$ 124,032

SUPPLEMENTAL CASH FLOW INFORMATION

Interest Paid	\$ 589
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See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF MONTANA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Montana, Inc. (the Foundation) is a Montana 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. The Foundation had no cash equivalents at August 31, 2018.

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 MONTANA, INC.
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 \$500 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 three to six years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the leases. 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.

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. The Foundation does not have any permanently restricted net assets as of August 31, 2018.

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.

MAKE-A-WISH FOUNDATION® OF MONTANA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement 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, services, and materials that are reported in the statement of activities as follows:

	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Wish Related	\$ 178,254	\$ -	\$ -	\$ 178,254
Professional Services	-	-	4,900	4,900
Advertising and Media	-	1,594	-	1,594
Other	120	65	-	185
	<u>120</u>	<u>65</u>	<u>-</u>	<u>185</u>
Total	<u>\$ 178,374</u>	<u>\$ 1,659</u>	<u>\$ 4,900</u>	<u>\$ 184,933</u>

An internal special event is a fundraising event coordinated and staffed by Foundation personnel rather than a third-party support group or organization. It is designed to attract people for the purpose of raising mission awareness, for increasing funding from existing donors, and the cultivation of future donors. Internal special event in-kind amounts are donated items recorded at fair value that are used in facilitating the event. Examples of such donated items are generally food, beverage, facility costs, and auction items.

Advertising and media is used to help the Foundation communicate its message or mission and includes fundraising 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 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.

MAKE-A-WISH FOUNDATION® OF MONTANA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is a nonprofit organization exempt from federal income taxes under the provisions of Internal Revenue Code (IRC) section 501(c)(3); 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 three functions: wish granting, fundraising, and management and general. Definitions of these functions are as follows:

Wish Granting

Activities performed by the Foundation in granting wishes to children with critical illnesses.

Fundraising

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations. During the fiscal year ended August 31, 2018, the Foundation incurred no joint costs.

Management and General

All costs not identifiable with the specific programs or fundraising activities, 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.

MAKE-A-WISH FOUNDATION® OF MONTANA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 CONTRIBUTIONS RECEIVABLE

The Foundation's contributions receivable as of August 31, 2018 were \$36,436, which are due from one donor. All contributions receivable are due within the next twelve months. Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at August 31, 2018.

NOTE 4 TRANSACTIONS WITH RELATED ENTITIES

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel, and training scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the year ended August 31, 2018, the Foundation received \$163,514 from these national revenue streams.

As part of the National Organization's Wish Fulfillment Fund, chapters may apply for funds that have been donated by other chapters to underwrite the cost of wishes. Under this program, the Foundation received \$50,000 annually under this program for the year ended August 31, 2018.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amounts totaling \$56,818 were paid from the Foundation to the National Organization during the year ended August 31, 2018.

Chapters who assist with the organization and granting of wishes from other chapters are paid a "fee for service" called the wish assist fee. Under this program, the originating chapter agrees to pay a fee to the chapter of the wish destination to assist with any planning, booking, and facilitating of the wish for the home chapter. Under this program, the Foundation received \$600 for the year ended August 31, 2018, which is recorded in the accompanying statement of activities as other income.

MAKE-A-WISH FOUNDATION® OF MONTANA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 4 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

Amounts due from and to related entities are as follows:

Balance at August 31, 2018:	
Due from National Organization	\$ 7,122
Due from Other Chapters	155
Total Due from Related Entities	<u>\$ 7,277</u>
Due to National Organization	5,544
Due to Other Chapters	617
Total Due to Related Entities	<u>\$ 6,161</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. Amounts due to the National Organization generally represent unpaid chapter dues and services.

During 2018, the Foundation received contributions, both cash and in-kind, from board members totaling \$15,804.

NOTE 5 PROPERTY AND EQUIPMENT, NET

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

Computer Equipment and Software	\$ 15,925
Office Furniture	8,384
Total	<u>24,309</u>
Less Accumulated Depreciation and Amortization	<u>(17,958)</u>
Property and Equipment, Net	<u>\$ 6,351</u>

Depreciation and amortization expense totaled \$5,867 for the year ended August 31, 2018.

MAKE-A-WISH FOUNDATION® OF MONTANA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 6 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 likely to be granted within the next 12 months.

Estimated cash and in-kind costs are accrued at year-end for all reportable approved pending wishes. 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 all the related expected in-kind revenue were recognized in the same fiscal period as the expected in-kind expense, total net deficit at August 31, 2018 would decrease by \$44,108 resulting in adjusted net assets deficit of \$9,434.

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 likely 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 organization may have experienced a change in liability beyond the change in approved wishes.

MAKE-A-WISH FOUNDATION® OF MONTANA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 7 LEASES

The Foundation is obligated under various capital and operating leases for offices and equipment, which expire at various dates through May 31, 2021. As of August 31, 2018, the cost of leased property and equipment under capital leases was \$8,384 and accumulated depreciation was \$3,773. Total rent expense for all operating leases for the year ended August 31, 2018 totaled \$6,107.

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 Leases</u>	<u>Capital Leases</u>
2019	\$ -	\$ 2,040
2020	-	2,040
2021	-	1,530
Total Minimum Lease Payments	<u>\$ -</u>	<u>5,610</u>
Less Amounts Representing Interest		(589)
Present Value of Net Minimum Lease Payments		<u><u>\$ 5,021</u></u>

NOTE 8 TEMPORARILY RESTRICTED NET ASSETS

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

Purpose Restrictions	<u>\$ 38,956</u>
Total Temporarily Restricted Net Assets	<u><u>\$ 38,956</u></u>

NOTE 9 RETIREMENT PLAN

The Foundation has a Simple IRA retirement plan (the Plan). All employees are eligible for participation in the Plan. Under the provisions of the Plan, employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan were \$6,188 for the year ended August 31, 2018.

MAKE-A-WISH FOUNDATION® OF MONTANA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 10 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 \$107,880 were received from a single donor for the year ended August 31, 2018, which represents 16% of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 11 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through December 5, 2018, the date at which the financial statements were available to be issued.

NOTE 12 LIQUIDITY IN OPERATIONS

The Foundation has negative unrestricted net assets of \$92,498 as of August 31, 2018, an increase of \$50,633 from August 31, 2017. Total negative net assets are \$53,542 as of August 31, 2018, an increase of \$20,653 from August 31, 2017.

The largest liability on the Foundation's statement of financial position is the accrued pending wish liability of \$193,375 (both cash and in-kind). From a legal perspective, the Foundation has no obligation to record the accrued pending wishes in its financial statements because there is no contract between the Foundation and wish families. However, the Foundation has taken the position that, once a wish family has been contacted, a relationship has been created and the impact of that relationship should be reflected in its financial statements when it becomes measurable.

The Foundation records the estimated cost of a wish after: (a) a wish referral has been received; (b) proof of medical eligibility has been obtained; (c) the child's wish has been ascertained and determined to fall within the Foundation's wish-granting policies; and (d) it is probable the wish will be granted during the next 12 months.

Recording this noncontractual liability can cause the Foundation to have higher liabilities and lower net assets (sometimes negative net assets) than other nonprofit organizations. In addition, recording the liability may impact the Foundation's program percentage from year-to-year.

MAKE-A-WISH FOUNDATION® OF MONTANA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2018

NOTE 12 LIQUIDITY IN OPERATIONS (CONTINUED)

Although the Foundation's largest expenditures generally relate to wish granting, the Foundation has the ability to manage wish expenses to some extent to ensure it has adequate resources to cover its expenses. For example:

- 1) The timing of wishes can often be controlled so the Foundation can achieve cost savings (such as not booking travel wishes during peak travel dates).
- 2) The Foundation can apply for grants from the national Wish Fulfillment Fund to help support pending wishes and reduce its wish pipeline.
- 3) The Foundation can source additional in-kind resources and/or vendor discounts to assist with cash flow, while maintaining the same high quality of the wish experience.

In addition, the National organization monitors the operational performance (including liquidity) of all of its chapters on a regular basis and is committed to working with chapters to ensure that all eligible children's wishes are granted.



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