

WISHES & MORE®

Financial Statements

December 31, 2019 and 2018



Wishes & More[®]
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Wishes & More®
Minneapolis, Minnesota

We have audited the accompanying financial statements of Wishes and More®, which comprise the statements of financial position as of December 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wishes and More® as of December 31, 2019 and 2018 and the change in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

July 8, 2020

Akins Henke and Company

Wishes & More®
Statements of Financial Position
December 31, 2019 and 2018

ASSETS	2019	2018
Current Assets:		
Cash	\$ 202,035	205,521
Promises to give	33,565	79,855
Prepaid expenses	65,010	53,585
Total Current Assets	<u>300,610</u>	<u>338,961</u>
Investments	<u>963,629</u>	<u>991,706</u>
Furniture and Equipment:		
Furniture and equipment	26,008	26,008
Less accumulated depreciation	(14,354)	(10,128)
Net Furniture and Equipment	<u>11,654</u>	<u>15,880</u>
Other Assets:		
Trademark costs	6,878	6,878
Website	3,198	3,198
Total Other Assets	<u>10,076</u>	<u>10,076</u>
Less accumulated amortization	(8,896)	(7,846)
Net Other Assets	<u>1,180</u>	<u>2,230</u>
Total Assets	\$ <u>1,277,073</u>	<u>1,348,777</u>
 LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	\$ 3,550	2,763
Wishes payable	11,364	17,133
Accrued compensation	16,603	12,469
Total Current Liabilities	<u>31,517</u>	<u>32,365</u>
Net Assets:		
Without donor restrictions:		
Undesignated	405,463	627,670
Board designated	714,523	546,242
Total without donor restrictions	<u>1,119,986</u>	<u>1,173,912</u>
With donor restrictions	<u>125,570</u>	<u>142,500</u>
Total Net Assets	<u>1,245,556</u>	<u>1,316,412</u>
Total Liabilities and Net Assets	\$ <u>1,277,073</u>	<u>1,348,777</u>

See accompanying notes to the financial statements.

Wishes & More®
 Statements of Activities
 For the Years Ended December 31, 2019 and 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:						
Contributions	\$ 276,519	11,003	287,522	318,693	13,500	332,193
Grants	22,600	-	22,600	18,250	5,000	23,250
In-kind contributions	339,236	-	339,236	137,031	-	137,031
Investment income (loss)	83,102	-	83,102	(21,530)	-	(21,530)
Total Support	<u>721,457</u>	<u>11,003</u>	<u>732,460</u>	<u>452,444</u>	<u>18,500</u>	<u>470,944</u>
Special fundraising events	619,544	34,067	653,611	646,404	66,000	712,404
Less cost of direct benefits to donors	(91,526)	-	(91,526)	(114,961)	-	(114,961)
Net Special Events	<u>528,018</u>	<u>34,067</u>	<u>562,085</u>	<u>531,443</u>	<u>66,000</u>	<u>597,443</u>
Total Support and Revenues	<u>1,249,475</u>	<u>45,070</u>	<u>1,294,545</u>	<u>983,887</u>	<u>84,500</u>	<u>1,068,387</u>
NET ASSETS RELEASED FROM RESTRICTIONS:						
Restrictions satisfied by expenditures	62,000	(62,000)	-	87,742	(87,742)	-
EXPENSES:						
Program	1,198,535	-	1,198,535	726,476	-	726,476
Management and general	89,760	-	89,760	60,883	-	60,883
Fundraising	77,106	-	77,106	69,444	-	69,444
Total Expenses	<u>1,365,401</u>	<u>-</u>	<u>1,365,401</u>	<u>856,803</u>	<u>-</u>	<u>856,803</u>
CHANGE IN NET ASSETS	(53,926)	(16,930)	(70,856)	214,826	(3,242)	211,584
NET ASSETS - BEGINNING OF YEAR	<u>1,173,912</u>	<u>142,500</u>	<u>1,316,412</u>	<u>959,086</u>	<u>145,742</u>	<u>1,104,828</u>
NET ASSETS - END OF YEAR	<u>\$ 1,119,986</u>	<u>125,570</u>	<u>1,245,556</u>	<u>1,173,912</u>	<u>142,500</u>	<u>1,316,412</u>

See accompanying notes to the financial statements.

Wishes & More®
 Statements of Functional Expenses
 For the Years Ended December 31, 2019 and 2018

	2019				2018			
	Program	Management & General	Fundraising	Total	Program	Management & General	Fundraising	Total
Salaries	\$ 197,686	53,658	31,065	282,409	162,274	38,854	27,426	228,554
Payroll taxes	14,358	3,897	2,256	20,511	11,634	2,786	1,966	16,386
Employee benefits	20,239	5,493	3,180	28,912	16,734	4,007	2,828	23,569
Total personnel costs	<u>232,283</u>	<u>63,048</u>	<u>36,501</u>	<u>331,832</u>	<u>190,642</u>	<u>45,647</u>	<u>32,220</u>	<u>268,509</u>
Wish expense	838,120	-	-	838,120	442,230	-	-	442,230
Scholarship of Hope®	29,699	-	-	29,699	14,500	-	-	14,500
Occupancy	21,215	5,758	3,334	30,307	18,023	4,316	3,046	25,385
Office supplies	15,655	4,249	2,460	22,364	9,688	2,320	1,637	13,645
Professional services	17,357	4,711	2,728	24,796	13,507	3,234	2,283	19,024
Special fundraising events	-	-	116,663	116,663	-	-	137,482	137,482
Postage	8,730	2,369	1,372	12,471	8,470	2,028	1,432	11,930
Meetings	1,702	462	268	2,432	2,003	479	339	2,821
Education	617	167	97	881	32	8	5	45
Insurance	5,009	1,360	787	7,156	3,364	806	569	4,739
Public relations	13,028	3,536	2,047	18,611	11,841	-	3,947	15,788
Bank and credit card charges	2,610	705	410	3,725	2,745	657	464	3,866
Volunteer expense	6,557	1,780	1,030	9,367	3,630	-	-	3,630
Telephone	2,259	613	355	3,227	2,039	488	345	2,872
Amortization	736	199	115	1,050	751	180	126	1,057
Depreciation	2,958	803	465	4,226	3,011	720	510	4,241
Total	<u>1,198,535</u>	<u>89,760</u>	<u>168,632</u>	<u>1,456,927</u>	<u>726,476</u>	<u>60,883</u>	<u>184,405</u>	<u>971,764</u>
Less: Expenses netted against revenues on the Statement of Activities:								
Special events expenses	<u>-</u>	<u>-</u>	<u>(91,526)</u>	<u>(91,526)</u>	<u>-</u>	<u>-</u>	<u>(114,961)</u>	<u>(114,961)</u>
Total expenses included in the expense section on the Statement of Activities	<u>\$ 1,198,535</u>	<u>89,760</u>	<u>77,106</u>	<u>1,365,401</u>	<u>726,476</u>	<u>60,883</u>	<u>69,444</u>	<u>856,803</u>

Wishes & More®
Statements of Cash Flows
For the Years Ended December 31, 2019 and 2018

	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (70,856)	211,584
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Amortization and depreciation	5,276	5,298
Net realized and unrealized (gains) losses on investments	(62,513)	32,817
Change in assets and liabilities:		
(Increase) decrease in promises to give	46,290	(14,061)
Increase in prepaid expenses	(11,425)	(26,693)
Increase in accounts payable	787	1,967
Decrease in wishes payable	(5,769)	(895)
Increase (decrease) in accrued compensation	4,134	(7,991)
Net cash provided by (used for) operating activities	(94,076)	202,026
 CASH FLOWS FROM INVESTING ACTIVITIES:		
Maturity of certificates of deposit	975,000	700,000
Purchase of certificates of deposit	(825,000)	(825,000)
Purchase of investments	(73,260)	(499,523)
Sales of investments	13,850	-
Purchase of furniture and equipment	-	(3,854)
Net cash provided by (used for) investing activities	90,590	(628,377)
 NET DECREASE IN CASH	(3,486)	(426,351)
 CASH - BEGINNING OF YEAR	205,521	631,872
 CASH - END OF YEAR	\$ 202,035	205,521

See accompanying notes to the financial statements.

WISHES & MORE®
Notes to the Financial Statements
December 31, 2019 and 2018

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

Wishes and More® (the Organization) is a nonprofit corporation organized to enhance the lives of children, nineteen years old and younger, fighting terminal or life-threatening conditions by providing extraordinary experiences. The Organization's support comes primarily from corporate and individual donor contributions.

The Organization also provides a Scholarship of Hope® which is presented to each wish child upon being granted their wish that will be a financial grant to apply to any higher institution of learning beyond high school. Memorials are provided for children who are unable to experience their wish.

Adoption of New Accounting Standards

The Organization has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)* and Accounting Standards Update (ASU) No. 2014-09 *Revenue from Contracts with Customers (Topic 606)* as amended. Management believes the standards improve the usefulness and understandability of the Organization's financial reporting.

Analysis of various provisions of these standards resulted in no significant changes in the way the Organization recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Basis of Presentation

The accompanying financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Under U.S. GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

Without donor restrictions- net assets over which the Board of Directors has discretionary control. Designated amounts represent those revenues which the Board has set aside for a particular purpose. At December 31, 2019, the Board has designated net assets of \$561,630 for scholarships and \$152,893 for future wishes. At December 31, 2018, the Board has designated net assets of \$435,500 for scholarships and \$110,742 for future wishes.

With Donor Restrictions- represent the portion of net assets that are restricted by donors for specific purposes or time periods, or that will be maintained by the Organization in perpetuity.

WISHES & MORE[®]
Notes to the Financial Statements
December 31, 2019 and 2018

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Revenue and Support

The Organization recognizes contributions when cash, securities, unconditional promises to give, or other assets are committed by the donor. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Conditional contributions - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Contributions are recorded as support without donor restrictions or support with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same reporting period are reported as contributions without donor restrictions.

Cash

Cash is defined as cash in checking, cash in UBS Bank deposit account, and cash on hand. The Organization maintains cash accounts at financial institutions located within Minnesota. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 at each institution. At December 31, 2019 and 2018, the Organization had no uninsured cash.

Investments

Investments in equities, mutual funds, corporate bonds, government and agency notes, and money market funds are recorded at fair value. Certificates of deposit are recorded at cost, which approximates fair value. The investments are subject to certain market and trading fluctuations.

The fair value of investments is based on quoted market prices, where available. Net investment income (loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses. Interest and dividends are recorded when earned and unrealized gains and losses are recorded based on the fair value of the investment. Net investment income (loss), including gain and losses on investments, is recorded as increases or decreases in net assets without donor restrictions unless its use is limited by donor-imposed restrictions or laws.

WISHES & MORE®
Notes to the Financial Statements
December 31, 2019 and 2018

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Promises to Give

Unconditional promises to give are recognized at net realizable value if due within one year, and at net present value if due over one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met. At December 31, 2019, 77% of the Organization's promises to give came from five donors. At December 31, 2018, 85% of the Organization's promises to give came from four donors.

Management performs periodic reviews of the collectability of promises to give and establishes allowances accordingly. No allowance for doubtful promises to give has been provided, as management believes all promises to give are collectible.

Concentrations of Credit Risk Due to Promises to Give

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of promises to give. Promises to give represent amounts due from various individuals and corporations. Management believes concentrations of credit risk with respect to these promises to give are limited due to the nature and dollar amounts. As of December 31, 2019 and 2018, management believes the Organization has no significant concentrations of credit risk.

Furniture and Equipment

Furniture and equipment are recorded at cost. Contributed furniture and equipment are recorded at fair value at the date of donation. Major additions and betterments in excess of \$1,000 are capitalized while replacements, maintenance, and repairs that do not improve or extend the life of the respective assets are expensed in the current period. Depreciation is provided through the use of the straight-line method over the estimated lives of the furniture and equipment of five years.

Trademark Costs

Trademark costs are being amortized using the straight-line method over fifteen years.

Website

Website development costs are amortized using the straight-line method over five years.

Wishes Payable

The Organization's wish policy is to recognize wish expense when the expense is incurred. The Organization believes this policy better reflects the wish expense as the wish expense is not known until the wish occurs.

WISHES & MORE®
Notes to the Financial Statements
December 31, 2019 and 2018

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Income Tax

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2019 and 2018, there were no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

Donated Services and Goods

Donated services are recognized as contributions if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. Donated goods are valued at fair value at the date of donation. Donated services and goods consist of various items and services relating to public relation services, printing services, and other donations for wishes.

A number of volunteers have made significant contributions of their time to the Organization to help with programs and activities. The value of this contributed time is not reflected in the financial statements since such time valuation does not conform to recognition standards under U.S. GAAP.

Special Fundraising Events

The Organization holds a variety of fundraising events during the year. For the years ended December 31, 2019 and 2018, fundraising events include the Golf Classic, the Winter Ball, Wine and Beer Tastings, and Breakfast with Santa.

Functional Allocation of Expense

The costs of providing programs and other activities have been summarized on a functional basis in the Statement of Activities. The Statement of Functional Expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Expenses that are allocated include salaries, payroll taxes, employee benefits, occupancy, office supplies, professional services, meetings, insurance, bank and credit card charges, telephone, amortization and depreciation. Such expenses are allocated based on time studies and the best estimates of management.

WISHES & MORE®
Notes to the Financial Statements
December 31, 2019 and 2018

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Advertising

The Organization expenses advertising costs as they are incurred. Advertising expense was \$18,611 and \$15,788 for the years ended December 31, 2019 and 2018, respectively.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events for potential recognition or disclosure through July 8, 2020, the date which the financial statements were available for issue.

(2) **LIQUIDITY AND FINANCIAL ASSETS**

The Organization manages its liquidity by investing excess cash in short-term investments such as certificates of deposit and money market savings, and in longer-term investments which can be liquidated within two days.

At December 31, 2019 and 2018, the Organization had board designated net assets totaling \$714,523 and \$546,242, respectively, intended for scholarships and future wishes. These designations were mindfully placed, and as such, can mindfully be released by board action. The scholarship designated net assets have been reflected as a reduction in the financial assets available within one year as the Board of Directors does not presently intend to spend any significant portion of these funds in 2020. The Board of Directors does not consider the designated funds to be a significant constraint to the availability of financial assets for the Organization as they can be released by board action, if necessary.

WISHES & MORE®
Notes to the Financial Statements
December 31, 2019 and 2018

(2) **LIQUIDITY AND FINANCIAL ASSETS, (continued)**

The following table reflects the Organization's financial assets as of December 31, 2019 and 2018, reduced by amounts that are not available to meet general expenditures within one year of the date of the statement of financial position.

	<u>2019</u>	<u>2018</u>
Cash	\$ 202,035	205,521
Promises to give	33,565	79,855
Investments	<u>963,629</u>	<u>991,706</u>
Total financial assets	1,199,229	1,277,082
Less amounts not available to be used within one year:		
Board designated funds for scholarships	(561,630)	(435,500)
Donor restricted for use and time	<u>(93,670)</u>	<u>(94,000)</u>
Financial assets available within one year to meet cash needs for general expenditures	\$ <u>543,929</u>	<u>747,582</u>

(3) **INVESTMENTS**

Investments consisted of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Cash and Deposit Accounts	\$ 24,455	48,598
Certificates of Deposit	558,368	635,817
Government and Agency Notes	9,102	71,210
Corporate Bonds	37,048	22,507
U.S. Equities	237,488	150,873
Mutual Funds:		
Equity	78,260	44,401
Fixed Income	-	13,052
Alternative	<u>18,908</u>	<u>5,248</u>
Total Investments	\$ <u>963,629</u>	<u>991,706</u>

WISHES & MORE®
Notes to the Financial Statements
December 31, 2019 and 2018

(4) **FAIR VALUE MEASUREMENTS**

U.S. GAAP establishes a three-tier fair value hierarchy that prioritizes the inputs of 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 lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

- Level 1 assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets, such as the New York Stock Exchange.
- Level 2 assets and liabilities are valued using inputs other than unadjusted quoted prices included in Level 1 that are observable either directly or indirectly for the assets or liability. Bonds and notes were valued based on inputs from brokers and dealers in secondary markets.
- Level 3 assets and liabilities are valued using pricing inputs which are unobservable for the asset or liability. There were no level 3 assets or liabilities.

The following summarizes the Organization's assets within the fair value hierarchy as of December 31, 2019:

	Level 1	Level 2	Level 3	Total
Investments:				
Government and agency notes	\$ -	9,102	-	9,102
Corporate bonds	-	37,048	-	37,048
Equities	237,488	-	-	237,488
Equity mutual funds	78,260	-	-	78,260
Alternative mutual funds	<u>18,908</u>	<u>-</u>	<u>-</u>	<u>18,908</u>
	<u>\$ 334,656</u>	<u>46,150</u>	<u>-</u>	<u>380,806</u>
		Cash and deposit accounts at cost		24,455
		Certificates of deposit at cost		<u>558,368</u>
		Total investments		<u>\$ 963,629</u>

WISHES & MORE®
Notes to the Financial Statements
December 31, 2019 and 2018

(4) **FAIR VALUE MEASUREMENTS, (continued)**

The following summarizes the Organization's assets within the fair value hierarchy as of December 31, 2018:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Investments:				
Government and agency notes	\$ -	71,210	-	71,210
Corporate bonds	-	22,507	-	22,507
Equities	150,873	-	-	150,873
Equity mutual funds	44,401	-	-	44,401
Fixed income mutual funds	13,052	-	-	13,052
Alternative mutual funds	<u>5,248</u>	<u>-</u>	<u>-</u>	<u>5,248</u>
	<u>\$ 213,574</u>	<u>93,717</u>	<u>-</u>	<u>307,291</u>
				Cash and deposit accounts at cost 48,598
				Certificates of deposit at cost <u>635,817</u>
				Total investments \$ <u>991,706</u>

(5) **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were available for the following purposes at December 31:

	<u>2019</u>	<u>2018</u>
Scholarship of Hope®	\$ 93,670	92,000
Wish expenses	31,900	48,500
Memorials	<u>-</u>	<u>2,000</u>
Total	<u>\$ 125,570</u>	<u>142,500</u>

Net assets were released from donor restrictions by incurring expenses that satisfy the restricted purpose or other events specified by the donors. Net assets released from restriction were comprised of the following at December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Satisfaction of purpose restrictions:		
Scholarship of Hope®	\$ 20,000	19,000
Wish expenses	40,000	54,500
Memorials	2,000	4,000
Technology	-	5,000
MN Wild grant	<u>-</u>	<u>5,242</u>
Total released from restrictions	<u>\$ 62,000</u>	<u>87,742</u>

WISHES & MORE®
Notes to the Financial Statements
December 31, 2019 and 2018

(6) **OCCUPANCY**

The Organization rents office space from a corporation whose shareholder is the spouse of a board member. The leases expires in April 2025. The Organization pays a monthly base rent plus any utility costs. Rent expense under these leases was \$27,907 and \$22,121, respectively for 2019 and 2018.

Future minimum lease payments under the above operating lease is as follows:

2020	\$ 30,264
2021	34,240
2022	35,268
2023	36,326
2024	37,415
2025	<u>12,594</u>
	<u>\$ 186,107</u>

The Organization also has month-to-month storage and meeting space leases. The storage and meeting space are rented for \$200 per month on a demand basis. In addition, during 2018 the Organization received in-kind storage space valued at \$864.

(7) **RETIREMENT PLAN**

The Organization maintains a SIMPLE IRA plan which is available to employees who have earned at least \$5,000 in the current year. The Organization matches 100% of the employee contributions up to a maximum of 3% of the employee's salary. The Organization's matching contributions for the years ended December 31, 2019 and 2018 was \$7,884 and \$6,744, respectively.

(8) **IN-KIND CONTRIBUTIONS**

For 2019 and 2018, the Organization received and recorded the following in-kind contributions:

	<u>2019</u>	<u>2018</u>
Wish services and items	\$ 303,982	121,343
Rent	-	864
Office supplies and printing	10,487	61
Professional fees	820	453
Public relations	15,794	14,310
Meeting items	49	-
Volunteer items	<u>8,104</u>	<u>-</u>
	<u>\$ 339,236</u>	<u>137,031</u>

WISHES & MORE®
Notes to the Financial Statements
December 31, 2019 and 2018

(9) **SUBSEQUENT EVENT**

In March of 2020, the COVID-19 outbreak in the United States had and continues to have a significant impact on the operations of the Organization. The State of Minnesota has undergone a “stay at home” order and is slowly beginning to reopen. The Organization has reduced operations and received a \$63,400 loan through the Payroll Protection Program (PPP) in April 2020. The interest rate on the loan is 1% and principal and interest payments begin in November 2020. The loan matures April 2022. If the Organization meets certain provisions of the PPP, this loan may be eligible for forgiveness. Management believes this note will be fully forgiven. If not forgiven, the Organization’s future principal payments would be \$6,715 for 2020, \$42,443 for 2021, and \$14,242 for 2022. The results of the above factors are economic uncertainties which could negatively impact the revenue of the Organization. The financial impact and duration of these economic uncertainties cannot be reasonably estimated at this time.