

**MAKE-A-WISH FOUNDATION® OF
NEW JERSEY, INC.**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2020 AND 2019



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**MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of New Jersey, Inc.
Monroe Township, New Jersey

We have audited the accompanying financial statements of Make-A-Wish Foundation® of New Jersey, Inc. 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 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 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 New Jersey, 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 New Jersey, Inc. as of August 31, 2020 and 2019 and 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
December 3, 2020

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2020 AND 2019

ASSETS	2020	2019
Cash and Cash Equivalents	\$ 386,348	\$ 530,818
Investments	6,872,368	6,439,047
Due from Related Entities	106,744	129,014
Prepaid Expenses	226,361	79,933
Contributions Receivable, Net	1,808,204	2,551,447
Other Assets	23,872	23,736
Split-Interest Agreements	580,389	443,663
Investments Held for Long-Term Purposes	2,242,581	1,911,675
Property and Equipment, Net	6,906,734	7,160,046
Total Assets	\$ 19,153,601	\$ 19,269,379
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 256,548	\$ 674,280
Due to Related Entities	7,291	112,998
Paycheck Protection Program	495,795	-
Total Liabilities	759,634	787,278
NET ASSETS		
Without Donor Restrictions	13,924,287	14,126,283
With Donor Restrictions	4,469,680	4,355,818
Total Net Assets	18,393,967	18,482,101
Total Liabilities and Net Assets	\$ 19,153,601	\$ 19,269,379

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions	\$ 5,259,262	\$ 324,373	\$ 5,583,635
Grants	71,500	-	71,500
Total Public Support	5,330,762	324,373	5,655,135
Internal Special Events	261,529	-	261,529
Less Costs of Direct Benefits to Donors	(23,894)	-	(23,894)
Total Internal Special Events	237,635	-	237,635
Investment Income, Net	532,801	157,915	690,716
Other Income	13,479	-	13,479
Net Assets Released from Restrictions	445,228	(445,228)	-
	6,559,905	37,060	6,596,965
EXPENSES			
Program Services:			
Wish Granting	4,701,373	-	4,701,373
Total Program Services	4,701,373	-	4,701,373
Support Services:			
Fundraising	1,233,269	-	1,233,269
Management and General	827,259	-	827,259
Total Support Services	2,060,528	-	2,060,528
Total Expenses	6,761,901	-	6,761,901
OTHER GAINS			
Change in Split Interest Agreements	-	76,802	76,802
Total Other Gains	-	76,802	76,802
CHANGE IN NET ASSETS	(201,996)	113,862	(88,134)
Net Assets - Beginning of Year	14,126,283	4,355,818	18,482,101
NET ASSETS - END OF YEAR	\$ 13,924,287	\$ 4,469,680	\$ 18,393,967

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions	\$ 8,677,044	\$ 623,506	\$ 9,300,550
Grants	121,823	5,000	126,823
Total Public Support	8,798,867	628,506	9,427,373
Internal Special Events	1,135,602	-	1,135,602
Less Costs of Direct Benefits to Donors	(490,652)	-	(490,652)
Total Internal Special Events	644,950	-	644,950
Investment Income, Net	124,981	42,612	167,593
Other Income	10,150	-	10,150
Net Assets Released from Restrictions	477,566	(477,566)	-
	10,056,514	193,552	10,250,066
EXPENSES			
Program Services:			
Wish Granting	9,037,229	-	9,037,229
Total Program Services	9,037,229	-	9,037,229
Support Services:			
Fundraising	1,432,366	-	1,432,366
Management and General	864,119	-	864,119
Total Support Services	2,296,485	-	2,296,485
Total Expenses	11,333,714	-	11,333,714
OTHER LOSSES			
Change in Split Interest Agreements	-	(46,858)	(46,858)
Total Other Losses	-	(46,858)	(46,858)
CHANGE IN NET ASSETS	(1,277,200)	146,694	(1,130,506)
Net Assets - Beginning of Year	15,403,483	4,209,124	19,612,607
NET ASSETS - END OF YEAR	\$ 14,126,283	\$ 4,355,818	\$ 18,482,101

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2020

	Program Services		Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services			
Direct Costs of Wishes	\$ 2,409,615	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,409,615
Salaries, Taxes, and Benefits	1,378,275	888,708	672,631	1,561,339	-	-	2,939,614
Printing, Subscriptions, and Publications	23,566	39,111	1,582	40,693	-	-	64,259
Professional Fees	-	-	11,411	11,411	-	-	11,411
Occupancy	91,342	32,033	10,202	42,235	-	-	133,577
Postage and Delivery	11,260	8,128	1,183	9,311	-	-	20,571
Travel	22,285	17,064	2,365	19,429	-	-	41,714
Meetings and Conferences	127,067	48,280	1,907	50,187	-	-	177,254
Office Supplies	14,168	33,356	4,696	38,052	-	-	52,220
Communications	15,854	10,567	8,133	18,700	-	-	34,554
Repairs and Maintenance	1,431	988	429	1,417	-	-	2,848
Membership Dues	-	1,100	965	2,065	-	-	2,065
National Partnership Dues	382,977	62,104	72,455	134,559	-	-	517,536
Miscellaneous	28,233	34,868	20,312	55,180	-	-	83,413
Depreciation and Amortization	195,300	56,962	18,988	75,950	-	-	271,250
Special Event Expenses	-	-	-	-	23,894	-	23,894
	<u>4,701,373</u>	<u>1,233,269</u>	<u>827,259</u>	<u>2,060,528</u>	<u>23,894</u>		<u>6,785,795</u>
Less Expenses Netted Against Revenues on the Statement of Activities:							
Special Event Expenses	-	-	-	-	(23,894)		(23,894)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 4,701,373</u>	<u>\$ 1,233,269</u>	<u>\$ 827,259</u>	<u>\$ 2,060,528</u>	<u>\$ -</u>		<u>\$ 6,761,901</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2019

	Program Services	Support Services				Total
	Wish Granting	Fundraising	Management and General	Total Support Services	Direct Donor Benefits	
Direct Costs of Wishes	\$ 6,594,616	\$ -	\$ -	\$ -	\$ -	\$ 6,594,616
Salaries, Taxes, and Benefits	1,478,468	960,671	708,645	1,669,316	-	3,147,784
Printing, Subscriptions, and Publications	26,088	86,851	5,298	92,149	-	118,237
Professional Fees	-	-	30,966	30,966	-	30,966
Occupancy	138,435	38,687	14,113	52,800	-	191,235
Postage and Delivery	31,111	19,666	1,372	21,038	-	52,149
Travel	31,682	32,438	1,775	34,213	-	65,895
Meetings and Conferences	132,550	107,413	2,694	110,107	-	242,657
Office Supplies	25,658	16,589	12,321	28,910	-	54,568
Communications	16,788	10,854	8,062	18,916	-	35,704
Advertising and Media (Cash)	5,086	7,553	-	7,553	-	12,639
Repairs and Maintenance	2,985	834	304	1,138	-	4,123
Membership Dues	-	2,475	1,295	3,770	-	3,770
National Partnership Dues	310,624	43,251	39,319	82,570	-	393,194
Miscellaneous	40,887	48,563	17,336	65,899	-	106,786
Depreciation and Amortization	202,251	56,521	20,619	77,140	-	279,391
Special Event Expenses	-	-	-	-	490,652	490,652
	<u>9,037,229</u>	<u>1,432,366</u>	<u>864,119</u>	<u>2,296,485</u>	<u>490,652</u>	<u>11,824,366</u>
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(490,652)	(490,652)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(490,652)</u>	<u>(490,652)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 9,037,229</u>	<u>\$ 1,432,366</u>	<u>\$ 864,119</u>	<u>\$ 2,296,485</u>	<u>\$ -</u>	<u>\$ 11,333,714</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENTS OF CASH FLOWS
YEAR ENDED AUGUST 31, 2020 AND 2019

	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (88,134)	\$ (1,130,506)
Adjustments to reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization	271,250	279,391
Contributions Restricted for Long-Term Investment	-	204,782
Net Realized and Unrealized (Gains) Losses on Investments	(553,299)	11,673
Contributed Property, Inventory, and Split-Interest Agreements	(81,521)	(65,381)
Change in Value of Split-Interest Agreements	(76,802)	46,858
Change in Discount to Present Value of Contributions Receivable	9,183	16,751
(Increase) Decrease in Assets:		
Contributions Receivable	734,060	95,694
Due from Related Entities	22,270	186,241
Prepaid Expenses	(146,428)	(66,032)
Other Assets	5,704	11,239
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(417,732)	214,160
Due to Related Entities	(105,707)	(109,983)
Net Cash Used by Operating Activities	(427,156)	(305,113)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(3,372,479)	(1,937,577)
Proceeds from Sales of Investments	2,911,551	1,967,765
Purchases of Property and Equipment	(2,181)	(37,153)
Net Cash Used by Investing Activities	(463,109)	(6,965)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted for Long-Term Investment	250,000	205,000
Proceeds from Paycheck Protection Program	495,795	-
Proceeds from Notes Payable	155,000	-
Principal Payments on Notes Payable	(155,000)	-
Net Cash Provided by Financing Activities	745,795	205,000
NET DECREASE IN CASH AND CASH EQUIVALENTS	(144,470)	(107,078)
Cash and Cash Equivalents - Beginning of Year	530,818	637,896
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 386,348	\$ 530,818
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Contributed Property, Inventory, and Split-Interest Agreements	\$ 81,521	\$ 65,381

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020 AND 2019

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of New Jersey, Inc. (the Foundation) is a New Jersey 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 develops and implements 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 (U.S. GAAP) 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.

Investments

Investments are recorded at fair value. Investment income, including gains 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 law.

The Foundation's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that those changes in the values of investments will occur in the near term and that such changes could be material to the amounts reported in the statements of financial position

Contributions Receivable

Contributions receivable are unconditional promises to give. Such promises that are expected to be collected within one year are recorded at expected net realizable value when the promise is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Contributions receivable are discounted using fair value rates and contributions are written off when deemed uncollectible.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment, Net

Property and equipment having a unit cost of greater than \$1,000 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Property and equipment under capital leases are stated at the present value of future minimum lease payments at the time of acquisition. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 40 years. Land improvements are depreciated over the estimated useful life of the asset. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances indicate a long-lived asset may be impaired, the asset value will be reduced to fair value. Fair value is determined through various valuation techniques including quoted market values and third-party independent appraisals, as considered necessary.

Fair Value Measurements

Fair value measurements of financial assets and financial liabilities and fair value measurements of nonfinancial items are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Foundation determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 – Unadjusted quoted prices in active markets for identical assets (or liabilities) that the reporting entity has the ability to access at the measurement date.

Level 2 – Prices for a similar asset (or liability), other than quoted prices included in Level 1 inputs, that are observable for the asset (or liability), either directly or indirectly. If the asset (or liability) has a specified term, a Level 2 input must be observable for substantially the full term of the asset (or liability).

Level 3 – Unobservable inputs for the asset (or liability) used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset (or liability) at measurement date.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for a board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed 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-imposed restrictions are perpetual in nature, where the donor stipulates that resources are maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions.

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 to give are not recognized as contribution revenue and receivables until the conditions have been substantially met.

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.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)U

Revenue Recognition (Continued)

The Foundation received in-kind contributions of assets, services, and materials that are reported in the statements of activities as follows:

<u>August 31, 2020</u>	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Wish Related	\$ 871,547	\$ -	\$ -	\$ 871,547
Professional Services	-	-	7,511	7,511
Conferences/Events	113,243	-	3,500	116,743
	<u>\$ 984,790</u>	<u>\$ -</u>	<u>\$ 11,011</u>	<u>995,801</u>
Special Events				700
Property and Equipment				15,757
Split Interest Agreements				59,924
Inventory				5,840
Other				5,265
Total				<u>\$ 1,083,287</u>
<u>August 31, 2019</u>	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Wish Related	\$ 2,625,951	\$ -	\$ -	\$ 2,625,951
Professional Services	-	-	27,165	27,165
Conferences/Events	103,368	13,871	983	118,222
	<u>\$ 2,729,319</u>	<u>\$ 13,871</u>	<u>\$ 28,148</u>	<u>2,771,338</u>
Special Events				47,488
Split Interest Agreements				58,535
Inventory				6,846
Total				<u>\$ 2,884,207</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.

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and New Jersey taxes under the provisions of Internal Revenue Code 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, 2020 and 2019. The Foundation files income tax returns in the U.S. federal jurisdiction, and applicable state jurisdictions.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

Management and General

All costs not identifiable with a 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.

Management Estimates

The preparation of financial statements in conformity with U.S. GAAP 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.

Change in Accounting Principle

In June 2018, the Financial Accounting Standards Board 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 adoption of ASU 2018-08 guidance beginning in fiscal year 2020. The adoption of ASU 2018-08 did not impact the Foundation's reported revenue.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020 AND 2019

NOTE 3 LIQUIDITY AND AVAILABILITY

The Foundation monitors liquidity regularly through daily cash flow activities, the monthly financial package provided to the board, and enterprise-wide Benchmarks of Excellence. The Foundation strives to maintain liquid financial assets sufficient to cover 6 months of general expenditures, while also maximizing the investment of current and long-term investment funds. Holding 6 to 24 months of liquidity is considered excellent based off the enterprise-wide published scale.

The following table presents the calculation of financial assets available at August 31, 2020 and 2019 to meet cash needs for general expenditures within one year:

	<u>2020</u>	<u>2019</u>
Total Financial Assets	\$ 11,996,634	\$ 12,005,664
Donor Imposed Restrictions:		
Restricted Funds	(2,217,914)	(2,444,144)
Endowments	<u>(2,242,582)</u>	<u>(1,911,674)</u>
Net Financial Assets after Donor-Imposed Restrictions	7,536,138	7,649,846
Internal Designations:		
Board Designated Endowments	<u>(2,005,676)</u>	<u>(1,942,244)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u><u>\$ 5,530,462</u></u>	<u><u>\$ 5,707,602</u></u>

Financial Assets include cash and cash equivalents, investments, due from related entities, contributions receivable, and investments held for long-term purposes. For purposes of analyzing resources available to meet general expenditures over one year, the Foundation considers all expenditures related to its ongoing program activities, as well as the functions in support of those activities, to be general expenditures.

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the board as an endowment. Income from donor-restricted endowments is restricted for program expenses and is subject to an annual spending rate of 5% as described in Note 11. Restricted funds represent contribution pledges outstanding for program and endowments in future years. Donor restricted and endowment funds are not available for general expenditure.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

The board-designated endowment of \$2,005,676 and \$1,942,244 as of August 31, 2020 and 2019, respectively, is also subject to an annual spending rate of 5% as described in Note 11. Although the Foundation does not intend to spend from this board-designated endowment, other than amounts appropriated for general expenditure as part of the board's annual budget approval and appropriation, this amount could be made available if necessary.

As part of the Foundation's liquidity management plan, cash in excess of daily requirements is invested in money market funds. If the need arises, investment reserves without donor restrictions could also be utilized for general expenditures, with the approval of the board. In addition to financial assets available to meet general expenditures within one year, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The Foundation also has a \$1,000,000 line of credit available to meet short-term needs. See Note 9 for further information.

NOTE 4 FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair values of the financial instruments shown in the following table as of August 31, 2020 and 2019 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

Investments

Overall Investment Objective

The overall investment objective of the Foundation is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation. The Foundation diversifies its investments among various asset classes incorporating multiple strategies and managers. Major investment decisions are authorized by the board's Investment Committee, which oversees the Foundation's investment program in accordance with established guidelines.

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy

The following table presents the fair value hierarchy of assets that are measured at fair value on a recurring basis at August 31, 2020 and 2019:

<u>August 31, 2020</u>	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Investments:				
Mutual Funds	\$ 4,112,903	\$ -	\$ -	\$ 4,112,903
Equity Securities	3,419,389	-	-	3,419,389
Debt Securities	-	1,582,657	-	1,582,657
Split-Interest Agreements	-	-	580,389	580,389
Total	<u>\$ 7,532,292</u>	<u>\$ 1,582,657</u>	<u>\$ 580,389</u>	<u>\$ 9,695,338</u>

<u>August 31, 2019</u>	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Investments:				
Mutual Funds	\$ 3,686,363	\$ -	\$ -	\$ 3,686,363
Equity Securities	3,104,915	-	-	3,104,915
Debt Securities	-	1,559,444	-	1,559,444
Split-Interest Agreements	-	-	443,663	443,663
Total	<u>\$ 6,791,278</u>	<u>\$ 1,559,444</u>	<u>\$ 443,663</u>	<u>\$ 8,794,385</u>

For the valuation of Debt Securities at August 31, 2020 and 2019, the Foundation used significant other observable inputs, particularly dealer market prices for comparable investments as of the valuation date (Level 2).

For the valuation of Split-Interest Agreements at August 31, 2020 and 2019, the Foundation used significant unobservable inputs such as present value of expected future amounts to be received.

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

The following table presents a rollforward of activity for investments measured at fair value using significant unobservable inputs (Level 3) for the years ended August 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Balance - Beginning of Year	\$ 443,663	\$ 431,986
Total Gains (Losses) (Realized/Unrealized) Included in Changes in Net Assets	76,802	(46,858)
Contributed Split-Interest Agreement	59,924	58,535
Balance - End of Year	<u>\$ 580,389</u>	<u>\$ 443,663</u>
Change in Unrealized Gains (Losses) for the Period Included in the Change in Net Assets Relating to Investments Still Held at End of Reporting Period	<u>\$ 76,802</u>	<u>\$ (46,858)</u>

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at rates ranging from .15% to 2.74% at August 31, 2020 and 2019. The following is a summary of the Foundation's contributions receivable at August 31:

	<u>2020</u>	<u>2019</u>
Total Amounts Due in:		
Within One Year	\$ 1,093,931	\$ 1,432,174
One to Five Years	915,000	1,320,000
More than Five Years	-	-
Gross Contributions Receivable	2,008,931	2,752,174
Less Allowance for Doubtful Accounts	(167,171)	(157,988)
Less Discount to Present Value	(33,556)	(42,739)
Contributions Receivable, Net	<u>\$ 1,808,204</u>	<u>\$ 2,551,447</u>

For contributions receivable at August 31, 2020 and 2019, there were five donors who have contributions outstanding of approximately \$1,440,000 and \$2,090,000, respectively. Combined, these represent approximately 72% and 76% of gross receivables at August 31, 2020 and 2019, respectively.

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NOTE 6 SPLIT-INTEREST AGREEMENTS

Charitable Gift Annuities

Donors have contributed assets to the National Organization in exchange for a promise by the National Organization to pay a fixed amount for a specified period of time to the donor or to individuals designated by the donor. Under the terms of such agreements, no trust exists, as the assets received are held by and the liability is an obligation of the National Organization. The National Organization records contribution revenue using the fair value of the assets less the present value of the payments expected to be made to the beneficiaries. The Foundation is named as the beneficiary of eight of these agreements. Accordingly, contribution revenue with donor restrictions and the related assets are recognized at fair value in the period in which the Foundation received notice that the agreements convey unconditional rights to receive benefits. Subsequent changes in value of the underlying assets are recorded in the accompanying statement of activities as the change in value of split-interest agreements.

The Foundation's beneficial interest under split-interest agreements totaled \$580,389 and \$443,663 at August 31, 2020 and 2019, respectively. The Foundation was the recipient of additional gifts as of August 31, 2020 and 2019 valued at \$59,924 and \$58,535, respectively.

NOTE 7 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 years ended August 31, 2020 and 2019, respectively, the Foundation received \$1,984,430 and \$2,334,384 from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amounts totaling \$517,536 and \$393,195 were paid from the Foundation to the National Organization during the years ended August 31, 2020 and 2019, respectively.

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 \$2,463 and \$7,500, respectively, for the year ended August 31, 2020 and 2019, which is recorded in the accompanying statements of activities as other income.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 7 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

Amounts due from and to related entities are as follows at August 31:

	<u>2020</u>	<u>2019</u>
Due from National Organization	\$ 106,744	\$ 124,094
Due from Other Chapters	-	4,920
Total Due from Related Entities	<u>\$ 106,744</u>	<u>\$ 129,014</u>
Due to Other Chapters	\$ 7,291	\$ 112,998
Total Due to Related Entities	<u>\$ 7,291</u>	<u>\$ 112,998</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 the years ended August 31, 2020 and 2019, the Foundation received contributions, both cash and in-kind, from board members totaling \$84,700 and \$718,670, respectively. As of August 31, 2020 and 2019, amounts due from board members totaled \$433,330 and \$595,000, respectively, and are included in contributions receivable in the accompanying statements of financial position. Amounts paid to related parties for goods and services used in the Foundation's operations totaled \$9,820 and \$18,347 for the years ended August 31, 2020 and 2019, respectively.

NOTE 8 PROPERTY AND EQUIPMENT, NET

Property and equipment consists of the following as of August 31:

	<u>2020</u>	<u>2019</u>
Land and Land Improvements	\$ 2,447,060	\$ 2,447,060
Buildings and Building Improvements	6,454,935	6,446,677
Computer Equipment and Software	129,022	119,342
Office Furniture	99,497	99,497
Other Equipment	99,472	99,472
Total	<u>9,229,986</u>	<u>9,212,048</u>
Less Accumulated Depreciation and Amortization	<u>(2,323,252)</u>	<u>(2,052,002)</u>
Property and Equipment, Net	<u>\$ 6,906,734</u>	<u>\$ 7,160,046</u>

Depreciation and amortization expense totaled \$271,250 and \$279,391, respectively, for the years ended August 31, 2020 and 2019.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
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NOTE 9 REVOLVING LINE OF CREDIT

The Foundation has a secured, revolving line of credit with a financial institution totaling \$1,000,000, bearing interest at 3.25% and 5%, respectively at August 31, 2020 and 2019. Interest is calculated at Prime Rate (as published in the Wall Street Journal) less 0.25%, subject to an interest rate floor of 3.25% and 4.5% as of August 31, 2020 and 2019, respectively. The line of credit matures on February 28, 2021 and there was \$-0- outstanding on this line of credit as of August 31, 2020 and 2019, respectively. The line of credit is subject to various financial and nonfinancial covenants.

NOTE 10 NET ASSETS

Net Assets Without Donor Restrictions

Board-designated net assets consist of the following at August 31:

	<u>2020</u>	<u>2019</u>
Board Designated Endowment Funds	\$ 2,005,676	\$ 1,942,244
Total Board Designated Net Assets	<u>\$ 2,005,676</u>	<u>\$ 1,942,244</u>

Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes or periods as of August 31:

	<u>2020</u>	<u>2019</u>
Subject to Expenditure for Specified Purpose:		
Pledges Outstanding for Program, Net of Discount	\$ 1,048,555	\$ 1,016,142
Pledges Outstanding for Endowment, Net of Discount	587,889	831,119
Pledge - Wish Granting In-Kind	-	148,220
Pledge - Furniture	5,265	-
Grant for Specific Purpose	5,000	5,000
Total	<u>1,646,709</u>	<u>2,000,481</u>
Subject to the Passage of Time:		
Assets Held under Split-Interest Agreements	<u>580,389</u>	<u>443,663</u>
Total	<u>580,389</u>	<u>443,663</u>
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	424,582	343,674
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity:		
Endowment Fund - Program	748,000	748,000
Endowment Fund - Facilities	<u>1,070,000</u>	<u>820,000</u>
Total Endowments	<u>2,242,582</u>	<u>1,911,674</u>
Total Net Assets with Donor Restrictions	<u>\$ 4,469,680</u>	<u>\$ 4,355,818</u>

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
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NOTE 11 ENDOWMENTS

The Foundation is subject to the enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and is required to make disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

The Foundation's endowment consists of six individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the board of directors to function as endowments. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets, both donor-restricted and board-designated, are reflected as investments held for long-term purposes on the statements of financial position.

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the New Jersey UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as donor-restricted net assets: (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulated earnings on the donor-restricted endowment funds. The accumulated earnings on the endowment funds remain treated as donor restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund
2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 ENDOWMENTS (CONTINUED)

Endowment fund composition by type of fund as of August 31, 2020 and 2019 are as follows:

August 31, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	\$ 2,005,676	\$ -	\$ 2,005,676
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	1,818,000	1,818,000
Accumulated Investment Gains	-	424,582	424,582
Total Funds	<u>\$ 2,005,676</u>	<u>\$ 2,242,582</u>	<u>\$ 4,248,258</u>
August 31, 2019	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	\$ 1,942,244	\$ -	\$ 1,942,244
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	1,568,000	1,568,000
Accumulated Investment Gains	-	343,674	343,674
Total Funds	<u>\$ 1,942,244</u>	<u>\$ 1,911,674</u>	<u>\$ 3,853,918</u>

Changes in endowment funds for the year ended August 31, 2020 and 2019 are as follows:

August 31, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 1,942,244	\$ 1,911,674	\$ 3,853,918
Investment Return, Net	161,471	157,915	319,386
Contributions	-	250,000	250,000
Appropriation of Endowment Asset for Expenditure	<u>(98,039)</u>	<u>(77,007)</u>	<u>(175,046)</u>
Endowment Funds - End of Year	<u>\$ 2,005,676</u>	<u>\$ 2,242,582</u>	<u>\$ 4,248,258</u>
August 31, 2019	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Net Assets - Beginning of Year	\$ 2,007,165	\$ 1,734,662	\$ 3,741,827
Investment Return, Net	31,352	42,612	73,964
Contributions	-	205,000	205,000
Appropriation of Endowment Assets Pursuant to Spending-Rate Policy	<u>(96,273)</u>	<u>(70,600)</u>	<u>(166,873)</u>
Endowment Net Assets - End of Year	<u>\$ 1,942,244</u>	<u>\$ 1,911,674</u>	<u>\$ 3,853,918</u>

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
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NOTE 11 ENDOWMENTS (CONTINUED)

Fund Deficiencies

From time-to-time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There are no fund deficiencies as of August 31, 2020 and 2019.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment funds while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 6.5% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 6.5% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

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NOTE 12 RETIREMENT PLAN

The Foundation has a 403b defined contribution retirement plan which, upon approval of the board of directors, was frozen on December 31, 2015. Employees were eligible for participation as of their dates of employment and elected to defer a percentage of their salary subject to certain IRC limitations. The Foundation did not make any matching contributions to the 403b plan.

In August 2015, the board of directors approved a plan to adopt the Extensis Retirement Savings Plan (the Plan), the 401k defined contribution plan of its professional employer organization, which provides payroll and human resources services. This change occurred on January 1, 2016. Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of six months of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 4% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2020 and 2019 were \$46,172 and \$50,425, respectively.

NOTE 13 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 \$1,224,022 and \$1,349,903 were received from a single donor for the years ended August 31, 2020 and 2019, respectively. This represents 22% and 14%, respectively, for 2020 and 2019 of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 14 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the years ended August 31, 2020 and 2019, the Foundation granted 250 and 595 wishes, respectively, which reflects the impact of COVID-19 for the second half of the fiscal year ended August 31, 2020. As of August 31, 2020 and 2019, respectively, there were approximately 516 and 373 children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2020 was \$5,656 in cash and \$3,817 in in-kind for a total cost of \$9,473. The average cost of a wish for the year ended August 31, 2019 was \$6,664 in cash and \$4,720 in in-kind for a total cost of \$11,384.

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NOTE 15 RISK AND UNCERTAINTIES

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) began. On March 10, 2020, in conjunction with the Make-A-Wish America National Medical Advisory Council, Make-A-Wish America issued instructions to pause travel and large gathering wishes until deemed medically safe for our vulnerable population and their families. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic.

As of August 31, 2020, with only a few local exceptions, travel wishes are still paused. Over the past 3 years, travel wishes have been approximately 78% of wishes granted and the number of granted wishes averaged approximately 468. The number of wishes granted in the current year was 250.

In addition to the impact on travel and large gathering wishes, the Foundation has also cancelled or converted fundraising events to virtual events. The Foundation continues to evaluate all expenses and fundraising efforts in light of the impact of COVID-19. National efforts are underway to return to wish granting and fundraising efforts when it is deemed medically safe.

From an operational perspective, the Foundation's office closed and transitioned the staff to work from home as of March 16, 2020. The office has been partially opened. Temporary internal control policies were written to accommodate for the closure.

NOTE 16 PAYCHECK PROTECTION PROGRAM

The Foundation applied for and was approved a \$495,795 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan was received on 04/21/2020. The loan accrues interest at 1%, but payments are not required to begin until September 1, 2021. 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.

<u>Year Ending August 31,</u>	<u>Amount</u>
2021	\$ -
2022	495,795
Total	<u>\$ 495,795</u>

NOTE 17 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through December 3, 2020, the date at which the financial statements were available to be issued.

