

**MAKE-A-WISH FOUNDATION® OF GREATER PENNSYLVANIA &
WEST VIRGINIA**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2020 AND 2019



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**MAKE-A-WISH FOUNDATION® OF GREATER PENNSYLVANIA & WEST VIRGINIA
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YEARS ENDED AUGUST 31, 2020 AND 2019**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Greater Pennsylvania & West Virginia
Pittsburgh, Pennsylvania

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Greater Pennsylvania & West Virginia 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 Greater Pennsylvania & West Virginia

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 Greater Pennsylvania & West Virginia as of August 31, 2020 and 2019 and change in its net assets and its cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Plymouth Meeting, Pennsylvania
December 22, 2020

MAKE-A-WISH FOUNDATION® OF GREATER PENNSYLVANIA & WEST VIRGINIA
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2020 AND 2019

| | 2020 | 2019 |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 1,567,483 | \$ 769,627 |
| Investments | 1,501,011 | 1,374,130 |
| Due from Related Entities | 70,960 | 47,031 |
| Prepaid Expenses | 278,442 | 200,822 |
| Contributions Receivable, Net | 125,000 | 878,771 |
| Other Assets | 53,236 | 51,642 |
| Investments Held for Long-Term Purposes | 3,094,617 | 2,887,259 |
| Property and Equipment, Net | 63,687 | 80,993 |
| Total Assets | \$ 6,754,436 | \$ 6,290,275 |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accounts Payable and Accrued Expenses | \$ 324,234 | \$ 312,496 |
| Due to Related Entities | 5,280 | 54,903 |
| Other Liabilities | 1,577 | - |
| Deferred Rent | 19,617 | 40,051 |
| Paycheck Protection Program | 544,300 | - |
| Total Liabilities | 895,008 | 407,450 |
| NET ASSETS | | |
| Without Donor Restrictions | 4,341,374 | 3,886,670 |
| With Donor Restrictions | 1,518,054 | 1,996,155 |
| Total Net Assets | 5,859,428 | 5,882,825 |
| Total Liabilities and Net Assets | \$ 6,754,436 | \$ 6,290,275 |

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF GREATER PENNSYLVANIA & WEST VIRGINIA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2020

| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|--|---------------------------------------|------------------------------------|-------------------------|
| REVENUES, GAINS, AND OTHER SUPPORT | | | |
| Public Support: | | | |
| Contributions | \$ 6,310,256 | \$ 4,415 | \$ 6,314,671 |
| Grants | 925,610 | - | 925,610 |
| Total Public Support | <u>7,235,866</u> | <u>4,415</u> | <u>7,240,281</u> |
| Internal Special Events | 267,354 | - | 267,354 |
| Less Costs of Direct Benefits to Donors | <u>(42,629)</u> | <u>-</u> | <u>(42,629)</u> |
| Total Internal Special Events | 224,725 | - | 224,725 |
| Investment Income, Net | 224,905 | 115,199 | 340,104 |
| Other Income | 498 | - | 498 |
| Net Assets Released from Restrictions | <u>597,715</u> | <u>(597,715)</u> | <u>-</u> |
| Total Revenues, Gains, and Other Support | 8,283,709 | (478,101) | 7,805,608 |
| EXPENSES | | | |
| Program Services: | | | |
| Wish Granting | 5,854,708 | - | 5,854,708 |
| Total Program Services | <u>5,854,708</u> | <u>-</u> | <u>5,854,708</u> |
| Support Services: | | | |
| Fundraising | 1,278,095 | - | 1,278,095 |
| Management and General | 696,202 | - | 696,202 |
| Total Support Services | <u>1,974,297</u> | <u>-</u> | <u>1,974,297</u> |
| Total Expenses | <u>7,829,005</u> | <u>-</u> | <u>7,829,005</u> |
| CHANGE IN NET ASSETS | 454,704 | (478,101) | (23,397) |
| Net Assets - Beginning of Year | <u>3,886,670</u> | <u>1,996,155</u> | <u>5,882,825</u> |
| NET ASSETS - END OF YEAR | <u>\$ 4,341,374</u> | <u>\$ 1,518,054</u> | <u>\$ 5,859,428</u> |

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF GREATER PENNSYLVANIA & WEST VIRGINIA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2019

| | Without Donor Restrictions | With Donor Restrictions | Total |
|--|-------------------------------|----------------------------|-------------------------|
| REVENUES, GAINS, AND OTHER SUPPORT | | | |
| Public Support: | | | |
| Contributions | \$ 8,346,961 | \$ 552,195 | \$ 8,899,156 |
| Grants | 803,152 | - | 803,152 |
| Total Public Support | 9,150,113 | 552,195 | 9,702,308 |
| Internal Special Events | 362,343 | - | 362,343 |
| Less Costs of Direct Benefits to Donors | (71,476) | - | (71,476) |
| Total Internal Special Events | 290,867 | - | 290,867 |
| Investment Income, Net | 139,066 | 67,678 | 206,744 |
| Other Income | 2,104 | - | 2,104 |
| Net Assets Released from Restrictions | 541,407 | (541,407) | - |
| Total Revenues, Gains, and Other Support | 10,123,557 | 78,466 | 10,202,023 |
| EXPENSES | | | |
| Program Services: | | | |
| Wish Granting | 8,304,713 | - | 8,304,713 |
| Total Program Services | 8,304,713 | - | 8,304,713 |
| Support Services: | | | |
| Fundraising | 1,070,773 | - | 1,070,773 |
| Management and General | 517,344 | - | 517,344 |
| Total Support Services | 1,588,117 | - | 1,588,117 |
| Total Expenses | 9,892,830 | - | 9,892,830 |
| CHANGE IN NET ASSETS | 230,727 | 78,466 | 309,193 |
| Net Assets - Beginning of Year | 3,655,943 | 1,917,689 | 5,573,632 |
| NET ASSETS - END OF YEAR | <u>\$ 3,886,670</u> | <u>\$ 1,996,155</u> | <u>\$ 5,882,825</u> |

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF GREATER PENNSYLVANIA & WEST VIRGINIA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2020

| | Program Services | | Support Services | | | Total |
|---|---------------------|---------------------|------------------------|------------------------|-----------------------|---------------------|
| | Wish Granting | Fundraising | Management and General | Total Support Services | Direct Donor Benefits | |
| Direct Costs of Wishes | \$ 3,251,000 | \$ - | \$ - | \$ - | \$ - | \$ 3,251,000 |
| Salaries, Taxes, and Benefits | 1,797,957 | 996,196 | 531,359 | 1,527,555 | - | 3,325,512 |
| Printing, Subscriptions, and Publications | 8,997 | 26,327 | 772 | 27,099 | - | 36,096 |
| Professional Fees | 9,496 | 12,067 | 5,061 | 17,128 | - | 26,624 |
| Rent and Utilities | 133,636 | 74,212 | 40,636 | 114,848 | - | 248,484 |
| Postage and Delivery | 23,076 | 13,994 | 4,090 | 18,084 | - | 41,160 |
| Travel | 7,765 | 11,708 | 2,720 | 14,428 | - | 22,193 |
| Meetings and Conferences | 6,578 | 3,457 | 4,791 | 8,248 | - | 14,826 |
| Office Supplies | 64,086 | 21,331 | 8,753 | 30,084 | - | 94,170 |
| Communications | 55,160 | 32,600 | 16,528 | 49,128 | - | 104,288 |
| Repairs and Maintenance | 17,648 | 10,262 | 5,857 | 16,119 | - | 33,767 |
| Grants and Scholarships | - | 1,900 | 551 | 2,451 | - | 2,451 |
| National Partnership Dues | 463,355 | 64,157 | 59,013 | 123,170 | - | 586,525 |
| Miscellaneous | 145 | 2,915 | 12,400 | 15,315 | - | 15,460 |
| Depreciation and Amortization | 15,809 | 6,969 | 3,671 | 10,640 | - | 26,449 |
| Special Event - Direct Donor Benefits | - | - | - | - | (42,629) | (42,629) |
| Total Expenses by Function | 5,854,708 | 1,278,095 | 696,202 | 1,974,297 | (42,629) | 7,786,376 |
| Less Expenses Netted Against Revenues on the Statement of Activities: | | | | | | |
| Special Event Expenses | - | - | - | - | 42,629 | 42,629 |
| Total Expenses Included in the Expense Section of the Statement of Activities | <u>\$ 5,854,708</u> | <u>\$ 1,278,095</u> | <u>\$ 696,202</u> | <u>\$ 1,974,297</u> | <u>\$ -</u> | <u>\$ 7,829,005</u> |

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF GREATER PENNSYLVANIA & WEST VIRGINIA
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 | \$ 5,615,017 | \$ - | \$ - | \$ - | \$ - | \$ 5,615,017 |
| Salaries, Taxes, and Benefits | 1,898,724 | 765,090 | 397,855 | 1,162,945 | - | 3,061,669 |
| Printing, Subscriptions, and Publications | 4,334 | 49,166 | 3,104 | 52,270 | - | 56,604 |
| Professional Fees | 6,521 | 38,718 | 4,811 | 43,529 | - | 50,050 |
| Rent and Utilities | 152,348 | 61,432 | 31,943 | 93,375 | - | 245,723 |
| Postage and Delivery | 33,006 | 22,688 | 3,288 | 25,976 | - | 58,982 |
| Travel | 14,779 | 12,715 | 1,609 | 14,324 | - | 29,103 |
| Meetings and Conferences | 11,365 | 5,322 | 2,116 | 7,438 | - | 18,803 |
| Office Supplies | 163,568 | 27,404 | 9,928 | 37,332 | - | 200,900 |
| Communications | 58,005 | 24,128 | 11,219 | 35,347 | - | 93,352 |
| Repairs and Maintenance | 19,859 | 9,132 | 4,734 | 13,866 | - | 33,725 |
| Membership Dues | 1,593 | 5,474 | 300 | 5,774 | - | 7,367 |
| National Partnership Dues | 306,304 | 38,773 | 42,625 | 81,398 | - | 387,702 |
| Miscellaneous | 1,177 | 3,440 | - | 3,440 | - | 4,617 |
| Depreciation and Amortization | 18,113 | 7,291 | 3,812 | 11,103 | - | 29,216 |
| Special Event - Direct Donor Benefits | - | - | - | - | 71,746 | 71,746 |
| Total Expenses by Function | <u>8,304,713</u> | <u>1,070,773</u> | <u>517,344</u> | <u>1,588,117</u> | <u>71,746</u> | <u>9,964,576</u> |
| Less Expenses Netted Against Revenues on the Statement of Activities: | | | | | | |
| Special Event Expenses | - | - | - | - | (71,746) | (71,746) |
| Total Expenses Included in the Expense Section of the Statement of Activities | <u>\$ 8,304,713</u> | <u>\$ 1,070,773</u> | <u>\$ 517,344</u> | <u>\$ 1,588,117</u> | <u>\$ -</u> | <u>\$ 9,892,830</u> |

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF GREATER PENNSYLVANIA & WEST VIRGINIA
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2020 AND 2019

| | 2020 | 2019 |
|---|--------------|-------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ (23,397) | \$ 309,193 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities: | | |
| Depreciation and Amortization | 26,449 | 29,216 |
| Bad Debt Expense and Other | 10,000 | - |
| Contributions Restricted for Long-Term Investment | 2,415 | 1,025 |
| Net Realized and Unrealized Gains on Investments | (286,564) | (128,158) |
| (Increase) Decrease in Assets: | | |
| Contributions Receivable | 743,771 | 97,193 |
| Due from Related Entities | (23,929) | 14,020 |
| Prepaid Expenses | (77,620) | (123,555) |
| Other Assets | (1,594) | 55,294 |
| Increase (Decrease) in Liabilities: | | |
| Accounts Payable and Accrued Expenses | 11,738 | (27,667) |
| Due to Related Entities | (49,623) | 21,685 |
| Other Liabilities | 1,577 | - |
| Deferred Rent | (20,434) | (20,434) |
| Net Cash Provided by Operating Activities | 312,789 | 227,812 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of Investments | (808,254) | (1,074,543) |
| Proceeds from Sales of Investments | 758,164 | 1,199,283 |
| Purchases of Property and Equipment | (9,143) | (13,225) |
| Net Cash Provided (Used) by Investing Activities | (59,233) | 111,515 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Proceeds from Paycheck Protection Program Loan | 544,300 | - |
| Net Cash Provided by Financing Activities | 544,300 | - |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 797,856 | 339,327 |
| Cash and Cash Equivalents - Beginning of Year | 769,627 | 430,300 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 1,567,483 | \$ 769,627 |

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF GREATER PENNSYLVANIA & WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020 AND 2019

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Greater Pennsylvania & West Virginia (the Foundation) is a Pennsylvania nonprofit corporation, organized for the purpose of creating life-changing wishes for children with critical illnesses. The Foundation is an independently operating chapter of the 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 GREATER PENNSYLVANIA & WEST VIRGINIA
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 \$2,500 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 seven 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.

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 GREATER PENNSYLVANIA & WEST VIRGINIA
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 an operating reserve and 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 be 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 restriction 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.

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 GREATER PENNSYLVANIA & WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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>Programs</u> | <u>Fundraising</u> | <u>Management and General</u> | <u>Total</u> |
|------------------------|---------------------|--------------------|-----------------------------------|---------------------|
| <u>August 31, 2020</u> | | | | |
| Wish Related | \$ 1,618,107 | \$ - | \$ - | \$ 1,618,107 |
| Professional Services | 1,560 | - | - | 1,560 |
| Rent | 8,867 | 4,926 | 2,628 | 16,421 |
| Other | 16,202 | 877 | - | 17,079 |
| Total | <u>\$ 1,644,736</u> | <u>\$ 5,803</u> | <u>\$ 2,628</u> | 1,653,167 |
| Special Events | | | | 9,199 |
| Total | | | | <u>\$ 1,662,366</u> |
| | | | | |
| | <u>Programs</u> | <u>Fundraising</u> | <u>Management and General</u> | <u>Total</u> |
| <u>August 31, 2019</u> | | | | |
| Wish Related | \$ 3,309,637 | \$ - | \$ - | \$ 3,309,637 |
| Professional Services | 1,716 | - | - | 1,716 |
| Rent | 10,116 | 4,079 | 2,121 | 16,316 |
| Office Supplies | 21,816 | 9,059 | - | 30,875 |
| Total | <u>\$ 3,343,285</u> | <u>\$ 13,138</u> | <u>\$ 2,121</u> | 3,358,544 |
| Special Events | | | | 28,826 |
| Total | | | | <u>\$ 3,387,370</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 Commonwealth of Pennsylvania and West Virginia income taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3) and Section 509(a)(1), Pennsylvania Department of Revenue regulations and West Virginia Department of Revenue Taxation Code §11-24-5. 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.

MAKE-A-WISH FOUNDATION® OF GREATER PENNSYLVANIA & WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

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.

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.

Deferred Rent

The Foundation accounts for rent expense evenly over the term of the lease using the straight-line method. The unamortized deferred rent was \$19,617 and \$40,051, respectively at August 31, 2020 and 2019.

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.

MAKE-A-WISH FOUNDATION® OF GREATER PENNSYLVANIA & WEST VIRGINIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2020 AND 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTE 3 LIQUIDITY AND AVAILABILITY

The Foundation monitors liquidity regularly through the monthly financial package provided to the board and through the enterprise-wide Benchmarks of Excellence. Holding 6 to 24 months of liquidity is considered excellent based off the enterprise-wide published scale.

| | <u>2020</u> | <u>2019</u> |
|--|---------------------|---------------------|
| Total Financial Assets | \$ 6,359,071 | \$ 5,956,818 |
| Donor-Imposed Restrictions: | | |
| Restricted Funds | (673) | (565,588) |
| Endowments | <u>(1,517,381)</u> | <u>(1,430,567)</u> |
| Net Financial Assets After Donor-Imposed Restrictions | 4,841,017 | 3,960,663 |
| Internal Designations: | | |
| Board-Designated Endowments | <u>(1,577,236)</u> | <u>(1,456,692)</u> |
| Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year | <u>\$ 3,263,781</u> | <u>\$ 2,503,971</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.

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NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the board as endowment. Income from donor-restricted endowments is restricted for program expenses and is subject to an annual spend rate of 4% as described in Note 10. Restricted funds represent contribution pledges outstanding for program and endowments in future years. Donor-restricted and endowment funds are not available for general expenditure.

The board-designated endowment of \$1,517,381 and \$1,456,692 as of August 31, 2020 and 2019, respectively, is also subject to an annual spending rate of 4% as described in Note 10. Although the Foundation does not intend to spend from this board-designated endowment other than amounts appropriate 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.

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.

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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 audit and finance committee, which oversees the Foundation's investment program in accordance with established guidelines.

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:

| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
|------------------------|---------------------|----------------|----------------|---------------------|
| <u>August 31, 2020</u> | | | | |
| Assets | | | | |
| Investments: | | | | |
| Mutual Funds | \$ 4,595,628 | \$ - | \$ - | \$ 4,595,628 |
| Total Assets | <u>\$ 4,595,628</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,595,628</u> |
| | | | | |
| | <u>Level 1</u> | <u>Level 2</u> | <u>Level 3</u> | <u>Total</u> |
| <u>August 31, 2019</u> | | | | |
| Assets | | | | |
| Investments: | | | | |
| Mutual Funds | \$ 4,261,389 | \$ - | \$ - | \$ 4,261,389 |
| Total Assets | <u>\$ 4,261,389</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 4,261,389</u> |

NOTE 5 CONTRIBUTIONS RECEIVABLE

The Foundation's contributions receivable as of August 31, 2020 and 2019 were \$135,000 and \$878,771, respectively, which are due from two and seven donors, respectively. All contributions receivable are due within the next twelve months. The allowance for uncollectible accounts was \$10,000 at August 31, 2020. Management determined all contributions receivable for the year ended August 31, 2019, were fully collectible, therefore, no allowance for doubtful accounts was considered necessary.

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NOTE 6 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 Wishmaker program, and other miscellaneous revenues. During the years ended August 31, 2020 and 2019, respectively, the Foundation received \$934,720 and \$918,411 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. Amount totaling \$586,525 and \$394,076 were paid from the Foundation to the National Organization during the years ended August 31, 2020 and 2019, respectively.

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

| | 2020 | 2019 |
|---------------------------------|-----------|-----------|
| Due from National Organization | \$ 70,960 | \$ 44,742 |
| Due from Other Chapters | - | 2,289 |
| Total Due from Related Entities | \$ 70,960 | \$ 47,031 |
| Due to National Organization | \$ 4,812 | \$ 2,356 |
| Due to Other Chapters | 468 | 52,547 |
| Total Due to Related Entities | \$ 5,280 | \$ 54,903 |

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 \$122,769 and \$73,588, respectively.

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NOTE 7 PROPERTY AND EQUIPMENT, NET

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

| | <u>2020</u> | <u>2019</u> |
|---|------------------|------------------|
| Computer Equipment and Software | \$ 493,504 | \$ 488,152 |
| Office Furniture | 232,739 | 228,948 |
| Leasehold Improvements | <u>83,979</u> | <u>83,979</u> |
| Total | 810,222 | 801,079 |
| Less: Accumulated Depreciation and Amortization | <u>(746,535)</u> | <u>(720,086)</u> |
| Property and Equipment, Net | <u>\$ 63,687</u> | <u>\$ 80,993</u> |

Depreciation and amortization expense totaled \$26,449 and \$29,216, respectively for the years ended August 31, 2020 and 2019.

NOTE 8 LEASES

The Foundation is obligated under various capital and operating leases for offices, which expire at various dates through December 2031. Total rent expense for all operating leases for the years ended August 31, 2020 and 2019 totaled \$224,347 and \$224,681, respectively.

The Foundation has been offered economic concessions in the form of five months of free rent for its downtown Pittsburgh location. This concession will be provided in fiscal year 2021 for the period of October 2020 through February 2020, and was provided due to the direct effects of the COVID-19 pandemic.

Future minimum lease payments under operating leases having remaining terms in excess of one year are as follows:

| <u>Year Ending August 31,</u> | |
|-------------------------------|---------------------|
| 2021 | \$ 154,052 |
| 2022 | 220,211 |
| 2023 | 198,694 |
| 2024 | 198,584 |
| 2025 | 201,424 |
| Thereafter | <u>1,305,910</u> |
| Total | <u>\$ 2,278,875</u> |

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NOTE 9 NET ASSETS

Net Assets Without Donor Restrictions

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

| | 2020 | 2019 |
|-----------------------------------|---------------------|---------------------|
| Board-Designated Endowment Funds | \$ 1,577,236 | \$ 1,456,692 |
| Total Board-Designated Net Assets | <u>\$ 1,577,236</u> | <u>\$ 1,456,692</u> |

Net Assets With Donor Restrictions

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

| | 2020 | 2019 |
|---|---------------------|---------------------|
| Subject to Expenditure for Specified Purpose: | | |
| Wish Forest | \$ 673 | \$ - |
| Total | <u>673</u> | <u>-</u> |
| Subject to Passage of Time: | | |
| Pledge Wish Granting In-Kind | - | 551,170 |
| In-Kind Rent | - | 14,418 |
| Total | <u>-</u> | <u>565,588</u> |
| Endowments: | | |
| Subject to Endowment Spending Policy and Appropriation: | | |
| Earnings on Endowment Funds | 545,278 | 460,879 |
| Original Donor-Restricted Gift Amount to be Maintained in Perpetuity: | | |
| Endowment Fund for Support of Wishes | 748,969 | 746,554 |
| Endowment Fund to Support Activities of the Foundation | 223,134 | 223,134 |
| Total | <u>1,517,381</u> | <u>1,430,567</u> |
| Total Donor-Restricted Net Assets | <u>\$ 1,518,054</u> | <u>\$ 1,996,155</u> |

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NOTE 10 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 12 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 Commonwealth of Pennsylvania has not enacted a version of UPMIFA or a version of the predecessor Uniform Management of Institutional Funds Act (UMIFA). Governing law resides in 15 Pa. C.S. §5548, *Investment of Trust Funds*. The Foundation has interpreted relevant law as requiring the preservation of the fair value of the original gift as of the gift date of the donor restricted endowment fund absent explicit donor stipulations to the contrary.

Pennsylvania law permits, but does not require, the board of directors to make an election to annually appropriate for expenditure a selected percentage between 2% and 7% of the fair value of the assets related to donor-restricted endowment funds averaged over a period of three or more preceding years, provided the board of directors has determined that such percentage is consistent with the long-term preservation of the real value of such assets. The Foundation has not made this election; therefore, under Pennsylvania law, it may only spend true interest and dividend income related to permanent endowments. The Foundation, therefore, classifies as net assets with donor restriction (a) the original value of gifts donated to the permanent endowment; (b) the original value of subsequent gifts to the permanent endowment; and (c) returns on permanent endowment other than interest and dividend income.

Interest and dividend income on permanent endowments are generally recorded as revenue without donor restriction unless there is a purpose restriction on the use of the income that is not satisfied in the year the income is earned.

Endowment fund composition by type of fund as of August 31 is as follows:

| August 31, 2020 | Without Donor Restrictions | With Donor Restrictions | Total |
|----------------------------------|-------------------------------|----------------------------|---------------------|
| Donor-Restricted Endowment Funds | \$ - | \$ 1,517,381 | \$ 1,517,381 |
| Board-Designated Endowment Funds | 1,577,236 | - | 1,577,236 |
| Total Funds | <u>\$ 1,577,236</u> | <u>\$ 1,517,381</u> | <u>\$ 3,094,617</u> |

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NOTE 10 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

| <u>August 31, 2019</u> | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|----------------------------------|---------------------------------------|------------------------------------|---------------------|
| Donor-Restricted Endowment Funds | \$ - | \$ 1,430,567 | \$ 1,430,567 |
| Board-Designated Endowment Funds | 1,456,692 | - | 1,456,692 |
| Total Funds | <u>\$ 1,456,692</u> | <u>\$ 1,430,567</u> | <u>\$ 2,887,259</u> |

Changes in endowment funds are as follows for the years ended August 31:

| <u>August 31, 2020</u> | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|---------------------|
| Endowment Funds - Beginning of Year | \$ 1,456,692 | \$ 1,430,567 | \$ 2,887,259 |
| Investment Return: | | | |
| Investment Income | 16,472 | 21,265 | 37,737 |
| Net Appreciation (Realized and Unrealized) | 99,072 | 93,934 | 193,006 |
| Total Investment Return | <u>115,544</u> | <u>115,199</u> | <u>230,743</u> |
| Contributions | 5,000 | 2,415 | 7,415 |
| Appropriation of Endowment Asset for Expenditure | <u>-</u> | <u>(30,800)</u> | <u>(30,800)</u> |
| Endowment Funds - End of Year | <u>\$ 1,577,236</u> | <u>\$ 1,517,381</u> | <u>\$ 3,094,617</u> |

| <u>August 31, 2019</u> | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
|---|---------------------------------------|------------------------------------|---------------------|
| Endowment Funds - Beginning of Year | \$ 1,376,653 | \$ 1,375,064 | \$ 2,751,717 |
| Investment Return: | | | |
| Investment Income | 25,557 | 27,557 | 53,114 |
| Net Appreciation (Realized and Unrealized) | 44,482 | 40,121 | 84,603 |
| Total Investment Return | <u>70,039</u> | <u>67,678</u> | <u>137,717</u> |
| Contributions | 10,000 | 1,025 | 11,025 |
| Appropriation of Endowment Asset for Expenditure | <u>-</u> | <u>(13,200)</u> | <u>(13,200)</u> |
| Endowment Funds - End of Year | <u>\$ 1,456,692</u> | <u>\$ 1,430,567</u> | <u>\$ 2,887,259</u> |

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.

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NOTE 10 ENDOWMENTS (CONTINUED)

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 performance for a low-equity balanced portfolio measured by a benchmark using a blend of the S&P 500 Index (35% weighting), a Government/Corporate Bond Intermediate Index (55% weighting), and T-bill performance (10% weighting). 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

Under Pennsylvania law, the Foundation has not elected a spending policy and instead expends interest and dividend income earned on a current year basis for donor restricted endowment funds. The Foundation's policy regarding board-designated endowment is that it is permitted, but not required, to spend up to 4% of board-designated endowment balances each year.

In establishing these policies, the Foundation considered their impact on both the real growth of the endowment through new gifts and investment return and annual expendable endowment income.

NOTE 11 RETIREMENT PLAN

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of three months of service measured from date of hire. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain Internal Revenue Code limitations. The Foundation matches employee contributions up to 4% of the employee's salary. An additional 1% may be matched at the discretion of the Foundation board. Foundation contributions to the Plan for the years ended August 31, 2020 and 2019 were \$110,505 and \$102,911, respectively.

As a conservative measure, the Foundation suspended salary increases, bonuses and employer retirement contributions for fiscal year 2021 due to the financial uncertainty related to the COVID-19 pandemic.

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NOTE 12 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 \$1,188,039 and \$2,417,009 were received from a single donor for the years ended August 31, 2020 and 2019, which represents 16% and 24% of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 13 LITIGATION AND CLAIMS

The Foundation is periodically involved in litigation and claims arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Foundation's financial position, change in net assets, or liquidity.

NOTE 14 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the years ending August 31, 2020 and 2019, the Foundation granted 361 and 601 wishes, respectively. As of August 31, 2020 and 2019, respectively, there were approximately 586 and 505 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2020 was \$4,430 in cash and \$4,350 in in-kind for a total cost of \$8,780. The average cost of a wish for the year ended August 31, 2019 was \$4,523 in cash and \$4,482 in in-kind for a total cost of \$9,005.

NOTE 15 RISKS 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 its 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 three years, travel wishes have been approximately 75% of wishes granted and the number of granted wishes averaged approximately 537. The number of wishes granted in the current year was 361. Children were encouraged to consider wishes other than travel during this time period. Many took advantage of non-travel wishes including, but not limited to, pets, pools, spas, shopping sprees, donations and campers.

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NOTE 15 RISKS AND UNCERTAINTIES (CONTINUED)

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 17, 2020. The office has been partially opened as of September 16, 2020. Temporary internal control policies were written to accommodate for the closure.

NOTE 16 PAYCHECK PROTECTION PROGRAM

The Foundation applied for and was approved a \$544,300 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 May 6, 2020. The loan accrues interest at 1%. The loan has an option to defer all payments until SBA funds are received. If the Foundation does not apply for forgiveness, payments can be deferred up to 16 months. 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 | 544,300 |
| Total | <u>\$ 544,300</u> |

NOTE 17 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through December 22, 2020, the date at which the financial statements were available to be issued.

