

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

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2021 AND 2020



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**MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
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YEARS ENDED AUGUST 31, 2021 AND 2020**

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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, 2021 and 2020 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, 2021 and 2020 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 15, 2021

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2021 AND 2020

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 3,250,653	\$ 386,348
Investments	7,854,175	6,872,368
Due from Related Entities	112,177	106,744
Prepaid Expenses	148,317	226,361
Contributions Receivable, Net	952,611	1,808,204
Other Assets	61,480	23,872
Split-Interest Agreements	735,098	580,389
Investments Held for Long-Term Purposes	2,777,807	2,242,581
Property and Equipment, Net	6,712,519	6,906,734
Total Assets	\$ 22,604,837	\$ 19,153,601
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 388,282	\$ 256,548
Due to Related Entities	20,374	7,291
Paycheck Protection Program	498,500	495,795
Total Liabilities	907,156	759,634
NET ASSETS		
Without Donor Restrictions	17,250,988	13,924,287
With Donor Restrictions	4,446,693	4,469,680
Total Net Assets	21,697,681	18,393,967
Total Liabilities and Net Assets	\$ 22,604,837	\$ 19,153,601

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions	\$ 6,062,848	\$ 79,489	\$ 6,142,337
Grants	177,246	-	177,246
Total Public Support	6,240,094	79,489	6,319,583
Internal Special Events	149,180	-	149,180
Investment Income, Net	1,084,133	372,313	1,456,446
Forgiveness of Paycheck Protection Program Loan	495,795		495,795
Other Income	1,619	-	1,619
Net Assets Released from Restrictions	600,162	(600,162)	-
Total Revenues, Gains, and Other Support	8,570,983	(148,360)	8,422,623
EXPENSES			
Program Services:			
Wish Granting	3,454,138	-	3,454,138
Total Program Services	3,454,138	-	3,454,138
Support Services:			
Fundraising	1,054,440	-	1,054,440
Management and General	735,704	-	735,704
Total Support Services	1,790,144	-	1,790,144
Total Expenses	5,244,282	-	5,244,282
OTHER GAINS			
Change in Split Interest Agreements	-	125,373	125,373
Total Other Losses	-	125,373	125,373
CHANGE IN NET ASSETS	3,326,701	(22,987)	3,303,714
Net Assets - Beginning of Year	13,924,287	4,469,680	18,393,967
NET ASSETS - END OF YEAR	\$ 17,250,988	\$ 4,446,693	\$ 21,697,681

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 FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2021

	Program Services	Support Services			Total
	Wish Granting	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,537,464	\$ -	\$ -	\$ -	\$ 1,537,464
Salaries, Taxes, and Benefits	1,223,727	784,831	598,124	1,382,955	2,606,682
Printing, Subscriptions, and Publications	7,626	27,276	1,226	28,502	36,128
Professional Fees	-	13,866	20,197	34,063	34,063
Occupancy	91,457	27,656	10,383	38,039	129,496
Postage and Delivery	10,281	9,406	734	10,140	20,421
Travel	2,657	2,354	260	2,614	5,271
Meetings and Conferences	21,638	18,536	60	18,596	40,234
Office Supplies	10,211	16,205	3,916	20,121	30,332
Communications	15,929	10,139	7,823	17,962	33,891
Advertising and Media	5,056	5,506	-	5,506	10,562
Repairs and Maintenance	1,607	576	333	909	2,516
Membership Dues	-	-	985	985	985
National Partnership Dues	304,535	54,985	63,445	118,430	422,965
Miscellaneous	25,743	25,877	9,142	35,019	60,762
Depreciation and Amortization	196,207	57,227	19,076	76,303	272,510
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 3,454,138	\$ 1,054,440	\$ 735,704	\$ 1,790,144	\$ 5,244,282

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)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(23,894)</u>	<u>(23,894)</u>
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.
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 3,303,714	\$ (88,134)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	272,510	271,250
Forgiveness of Paycheck Protection Program Loan	(495,795)	-
Net Realized and Unrealized (Gains) Losses on Investments	(1,325,690)	(553,299)
Contributed Property, Inventory, and Split-Interest Agreements	(102,192)	(81,521)
Change in Value of Split-Interest Agreements	(125,373)	(76,802)
Change in Discount to Present Value of Contributions Receivable	16,712	9,183
(Increase) Decrease in Assets:		
Contributions Receivable	838,881	734,060
Due from Related Entities	(5,433)	22,270
Prepaid Expenses	78,044	(146,428)
Other Assets	(20,951)	5,704
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	131,734	(417,732)
Due to Related Entities	13,083	(105,707)
Net Cash Provided (Used) by Operating Activities	2,579,244	(427,156)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(2,812,314)	(3,372,479)
Proceeds from Sales of Investments	2,370,971	2,911,551
Purchases of Property and Equipment	(55,537)	(2,181)
Distribution of Split Interest Agreements	33,441	-
Net Cash Used by Investing Activities	(463,439)	(463,109)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted for Long-Term Investment	250,000	250,000
Proceeds from Paycheck Protection Program	498,500	495,795
Proceeds from Notes Payable	-	155,000
Principal Payments on Notes Payable	-	(155,000)
Net Cash Provided by Financing Activities	748,500	745,795
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	2,864,305	(144,470)
Cash and Cash Equivalents - Beginning of Year	386,348	530,818
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,250,653	\$ 386,348
SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Contributed Property, Inventory, and Split-Interest Agreements	\$ 102,192	\$ 81,521

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

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, 2021 AND 2020

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, 2021 AND 2020

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

Revenue is recognized on the accrual basis and generally consists of contributions, special event revenue, in-kinds, and other income.

Special event revenue consists of registrations, sponsorships, and other contributions.

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.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

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

	2021			
	Programs	Fundraising	Management and General	Total
Wish Related	\$ 242,107	\$ -	\$ -	\$ 242,107
Professional Services	-	-	17,817	17,817
Conferences/Events	399	-	-	399
Advertising and Media	5,000	5,000	-	10,000
Other	19,881	-	-	19,881
	\$ 267,387	\$ 5,000	\$ 17,817	290,204
Property and Equipment				22,758
Split Interest Agreements				62,777
Inventory				16,657
Total				\$ 392,396
	2020			
	Programs	Fundraising	Management and General	Total
Wish Related	\$ 871,547	\$ -	\$ -	\$ 871,547
Professional Services	-	-	7,511	7,511
Conferences/Events	113,243	-	3,500	116,743
	\$ 984,790	\$ -	\$ 11,011	995,801
Special Events				700
Property and Equipment				15,757
Split Interest Agreements				59,924
Inventory				5,840
Other				5,265
Total				\$ 1,083,287

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

Advertising and media is used to help the Foundation communicate its message or mission and includes fund raising materials, informational material, or advertising, and may be in the form of an audio or video tape of a public service announcement, a layout for a newspaper, media time or space for public service announcements, or other purposes.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Donated advertising and media is reported as contribution revenue and fundraising or public information expense when received and the reporting of such contribution is unaffected by whether the Foundation could afford to purchase or would have purchased the assets at their fair value.

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and New Jersey taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3). However, the Foundation remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

Management believes that no uncertain tax positions exist for the Foundation at August 31, 2021 and 2020. 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.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 August 2018, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) 2018-13, Fair Value Measurement (Topic 820) – *Changes to the Disclosure Requirements for Fair Value Measurement*. The update is to improve the effectiveness of disclosures in the notes to the financial statements. The Foundation's financial statements reflect adoption of ASU 2018-13 guidance beginning in for the year-ended August 31, 2021 and retrospectively applied for the year-ended August 31, 2020. The adoption of ASU 2018-13 did not impact the Foundation's reported change in net assets.

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, 2021 and 2020 to meet cash needs for general expenditures within one year:

	<u>2021</u>	<u>2020</u>
Total Financial Assets	\$ 15,682,521	\$ 11,996,634
Donor-Imposed Restrictions:		
Restricted Funds	(1,668,886)	(2,227,098)
Endowments	<u>(2,777,807)</u>	<u>(2,242,582)</u>
Net Financial Assets after Donor-Imposed Restrictions	11,235,828	7,526,954
Internal Designations:		
Board-Designated Endowments	<u>(2,201,540)</u>	<u>(2,005,676)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 9,034,288</u>	<u>\$ 5,521,278</u>

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

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.

The board-designated endowment of \$2,201,540 and \$2,005,676 as of August 31, 2021 and 2020, 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.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value of Financial Instruments (Continued)

The fair values of the financial instruments shown in the following table as of August 31, 2021 and 2020 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.

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:

	2021			Total
	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	
Assets				
Investments:				
Mutual Funds	\$ 4,969,732	\$ -	\$ -	\$ 4,969,732
Equity Securities	4,014,452	-	-	4,014,452
Debt Securities	-	1,647,798	-	1,647,798
Split-Interest Agreements	-	-	735,098	735,098
Total	<u>\$ 8,984,184</u>	<u>\$ 1,647,798</u>	<u>\$ 735,098</u>	<u>\$ 11,367,080</u>

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

	2020			
	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>

For the valuation of Debt Securities at August 31, 2021 and 2020, 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, 2021 and 2020, the Foundation used significant unobservable inputs such as present value of expected future amounts to be received.

Transfers in and transfer out of Level 3 investments consist of the following for the years ended August 31:

	2021	2020
Transfers In	\$ 62,777	\$ 59,924
Transfer Out	33,441	-

The following table describes the valuation techniques used to calculate fair value for assets in Level 3. There were no changes in valuation techniques and related inputs from the prior year.

Quantitative Information About Level 3 Fair Value Measurements			
Type of Assets	Fair Value at August 31, 2021	Principal Valuation Technique	Unobservable Inputs
Split-Interest Agreements	<u>\$ 735,098</u>	Fair Value of Assets	Time Period of Agreement
Type of Assets	Fair Value at August 31, 2020	Principal Valuation Technique	Unobservable Inputs
Split-Interest Agreements	<u>\$ 580,389</u>	Fair Value of Assets	Time Period of Agreement

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NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at rates ranging from .15% to 2.74% at August 31, 2021 and 2020. The following is a summary of the Foundation's contributions receivable at August 31:

	2021	2020
Total Amounts Due in:		
Within One Year	\$ 570,838	\$ 1,093,931
One to Five Years	582,500	915,000
Gross Contributions Receivable	1,153,338	2,008,931
Less Allowance for Doubtful Accounts	(183,883)	(167,171)
Less Discount to Present Value	(16,844)	(33,556)
Contributions Receivable, Net	\$ 952,611	\$ 1,808,204

For contributions receivable at August 31, 2021 and 2020, there were five donors who have contributions outstanding of approximately \$930,000 and \$1,650,000, respectively. Combined, these represent approximately 81% and 82% of gross receivables at August 31, 2021 and 2020, respectively.

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 \$735,098 and \$580,389 at August 31, 2021 and 2020, respectively. The Foundation was the recipient of additional gifts as of August 31, 2021 and 2020 valued at \$62,777 and \$59,924, respectively.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
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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, 2021 and 2020, respectively, the Foundation received \$2,316,851 and \$1,984,430 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 \$422,965 and \$517,536 were paid from the Foundation to the National Organization during the years ended August 31, 2021 and 2020, 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 \$450 and \$2,463, respectively, for the years ended August 31, 2021 and 2020, which is recorded in the accompanying statements of activities as other income.

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

	<u>2021</u>	<u>2020</u>
Due from National Organization	\$ 112,177	\$ 106,744
Due from Other Chapters	-	-
Total Due from Related Entities	<u>\$ 112,177</u>	<u>\$ 106,744</u>
Due to National Organization	\$ 6,088	\$ -
Due to Other Chapters	14,286	7,291
Total Due to Related Entities	<u>\$ 20,374</u>	<u>\$ 7,291</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.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE 7 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

During the years ended August 31, 2021 and 2020, the Foundation received contributions, both cash and in-kind, from board members totaling \$64,500 and \$84,700, respectively. As of August 31, 2021 and 2020, amounts due from board members totaled \$23,330 and \$433,330, 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 \$10,390 and \$9,820 for the years ended August 31, 2021 and 2020, respectively.

NOTE 8 PROPERTY AND EQUIPMENT, NET

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

	2021	2020
Land and Land Improvements	\$ 2,447,060	\$ 2,447,060
Buildings and Building Improvements	6,483,158	6,454,935
Computer Equipment and Software	144,343	129,022
Office Furniture	117,696	99,497
Other Equipment	102,310	99,472
Total	9,294,567	9,229,986
Less: Accumulated Depreciation and Amortization	(2,582,048)	(2,323,252)
Property and Equipment, Net	\$ 6,712,519	\$ 6,906,734

Depreciation and amortization expense totaled \$272,510 and \$271,250, respectively, for the years ended August 31, 2021 and 2020.

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% at August 31, 2021 and 2020. 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% as of August 31, 2021 and 2020, respectively. The line of credit matures on February 28, 2022 and there was \$-0- outstanding on this line of credit as of August 31, 2021 and 2020, 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:

	2021	2020
Board-Designated Endowment Funds	\$ 2,201,540	\$ 2,005,676
Total Board-Designated Net Assets	\$ 2,201,540	\$ 2,005,676

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NOTES TO FINANCIAL STATEMENTS
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NOTE 10 NET ASSETS (CONTINUED)

Net Assets With Donor Restrictions

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

	<u>2021</u>	<u>2020</u>
Subject to Expenditure for Specified Purpose:		
Pledges Outstanding for Program, Net of Discount	\$ 592,580	\$ 1,048,555
Pledges Outstanding for Endowment, Net of Discount	341,208	587,889
Pledge - Furniture	-	5,265
Grant for Specific Purpose	-	5,000
Total	<u>933,788</u>	<u>1,646,709</u>
Subject to the Passage of Time:		
Assets Held under Split-Interest Agreements	<u>735,098</u>	<u>580,389</u>
Total	735,098	580,389
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	709,807	424,582
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity:		
Endowment Fund - Program	748,000	748,000
Endowment Fund - Facilities	<u>1,320,000</u>	<u>1,070,000</u>
Total Endowments	<u>2,777,807</u>	<u>2,242,582</u>
Total Net Assets with Donor Restrictions	<u>\$ 4,446,693</u>	<u>\$ 4,469,680</u>

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.

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NOTE 11 ENDOWMENTS (CONTINUED)

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

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

	2021		
	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	\$ 2,201,540	\$ -	\$ 2,201,540
Donor-Restricted Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by Donor	-	2,068,000	2,068,000
Accumulated Investment Gains	-	709,807	709,807
Total Funds	\$ 2,201,540	\$ 2,777,807	\$ 4,979,347
	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	\$ 2,005,676	\$ 2,242,582	\$ 4,248,258

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

Interpretation of Relevant Law (Continued)

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

	2021		Total
	Without Donor Restrictions	With Donor Restrictions	
Endowment Funds - Beginning of Year	\$ 2,005,676	\$ 2,242,582	\$ 4,248,258
Investment Return, Net	293,499	372,314	665,813
Contributions	-	250,000	250,000
Appropriation of Endowment Asset for Expenditure	(97,635)	(87,089)	(184,724)
Endowment Funds - End of Year	<u>\$ 2,201,540</u>	<u>\$ 2,777,807</u>	<u>\$ 4,979,347</u>
	2020		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds - 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	(98,039)	(77,008)	(175,047)
Endowment Funds - End of Year	<u>\$ 2,005,676</u>	<u>\$ 2,242,581</u>	<u>\$ 4,248,257</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, 2021 and 2020.

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.

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NOTE 11 ENDOWMENTS (CONTINUED)

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.

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, 2021 and 2020 were \$38,680 and \$46,172, 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 Federal Deposit Insurance Corporation (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.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
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NOTE 13 CONCENTRATIONS OF CREDIT RISK (CONTINUED)

As of August 31, 2021, there was a contribution from a single donor, in the amount of \$1 million, which represents 16% of total public support. In-kind contributions totaling \$1,224,022 were received from a single donor for the year ended August 31, 2020 which represents 22% 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, 2021 and 2020, the Foundation granted 251 and 250 wishes, respectively, which reflects the impact of COVID-19 beginning in the second half of the fiscal year ended August 31, 2020 and continuing through August 31, 2021. As of August 31, 2021 and 2020, respectively, there were approximately 537 and 516 children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2021 was \$4,793 in cash and \$966 in in-kind for a total cost of \$5,759. 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.

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, 2021, with the exception of regional travel, travel wishes are still paused. Prior to fiscal year 2020, travel wishes have been approximately 78% of wishes granted and the number of granted wishes averaged approximately 468. The number of wishes granted during the years ended August 31, 2021 and 2020 was 251, and 250, respectively.

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.

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NOTE 16 PAYCHECK PROTECTION PROGRAM

The Foundation applied for and was approved for 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 April 21, 2020. The loan accrues interest at 1%, but payments are not required to begin for six months after funding of the loan. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. 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 Foundation received forgiveness of \$495,795 on February 17, 2021.

Under the second round of Paycheck Protection Program funding, the Foundation applied for and was approved for an additional \$498,500 loan. The loan was received on February 1, 2021. The loan accrues interest at 1%, with interest deferred through a covered period of up to 24 weeks from the loan date plus 10 months, has a term of five years and is unsecured and guaranteed by the Small Business Administration. The Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Foundation's financial position.

NOTE 17 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through December 15, 2021, the date at which the financial statements were available to be issued.

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