

**MAKE-A-WISH® FOUNDATION OF
NORTHEAST NEW YORK**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2021 AND 2020



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**MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
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YEARS ENDED AUGUST 31, 2021 AND 2020**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Make-A-Wish® Foundation of Northeast New York
Albany, New York

We have audited the accompanying financial statements of Make-A-Wish® Foundation of Northeast New York, 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 from 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 control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Trustees
Make-A-Wish® Foundation of Northeast New York

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 Northeast New York 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

Phoenix, Arizona
January 24, 2022

**MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2021 AND 2020**

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 352,761	\$ 155,206
Investments	4,079,349	3,546,994
Beneficial Interest in Assets Held by National	551,537	224,734
Due from Related Entities	26,929	16,120
Prepaid Expenses	74,347	47,178
Other Assets	21,840	17,950
Contributions Receivable, Net	578,264	278,404
Property and Equipment, Net	267,690	139,703
Total Assets	\$ 5,952,717	\$ 4,426,289
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 86,267	\$ 49,331
Due to Related Entities	1,892	49,647
Deferred Revenue	3,500	-
Paycheck Protection Program	120,252	115,747
Total Liabilities	211,911	214,725
NET ASSETS		
Without Donor Restrictions	4,660,423	3,723,201
With Donor Restrictions	1,080,383	488,363
Total Net Assets	5,740,806	4,211,564
Total Liabilities and Net Assets	\$ 5,952,717	\$ 4,426,289

See accompanying Notes to Financial Statements.

**MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions	\$ 1,255,667	\$ 643,606	\$ 1,899,273
Grants	11,500	-	11,500
Total Public Support	1,267,167	643,606	1,910,773
Internal Special Events	365,403	-	365,403
Less: Costs of Direct Benefits to Donors	(57,163)	-	(57,163)
Total Special Events	308,240	-	308,240
Change in Beneficial Interest in Assets	-	71,042	71,042
Investment Income, Net	545,085	-	545,085
Forgiveness of Paycheck Protection Program Loan	115,747	-	115,747
Other Income	5,030	-	5,030
Net Assets Released from Restrictions	122,628	(122,628)	-
Total Revenues, Gains, and Other Support	2,363,897	592,020	2,955,917
EXPENSES			
Program Services:			
Wish Granting	681,881	-	681,881
Total Program Services	681,881	-	681,881
Support Services:			
Fundraising	404,342	-	404,342
Management and General	340,452	-	340,452
Total Support Services	744,794	-	744,794
Total Program and Support Services Expenses	1,426,675	-	1,426,675
CHANGE IN NET ASSETS	937,222	592,020	1,529,242
Net Assets - Beginning of Year	3,723,201	488,363	4,211,564
NET ASSETS - END OF YEAR	\$ 4,660,423	\$ 1,080,383	\$ 5,740,806

See accompanying Notes to Financial Statements.

**MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions	\$ 969,454	\$ 84,370	\$ 1,053,824
Grants	103,922	-	103,922
Total Public Support	1,073,376	84,370	1,157,746
Internal Special Events	290,435	-	290,435
Less: Costs of Direct Benefits to Donors	(8,870)	-	(8,870)
Total Special Events	281,565	-	281,565
Change in Beneficial Interest in Assets	-	18,164	18,164
Investment Income, Net	452,477	-	452,477
Other Income	-	-	-
Net Assets Released from Restrictions	162,943	(162,943)	-
Total Revenues, Gains, and Other Support	1,970,361	(60,409)	1,909,952
EXPENSES			
Program Services:			
Wish Granting	1,142,193	-	1,142,193
Total Program Services	1,142,193	-	1,142,193
Support Services:			
Fundraising	464,074	-	464,074
Management and General	364,336	-	364,336
Total Support Services	828,410	-	828,410
Total Program and Support Services Expenses	1,970,603	-	1,970,603
CHANGE IN NET ASSETS	(242)	(60,409)	(60,651)
Net Assets - Beginning of Year	3,723,443	548,772	4,272,215
NET ASSETS - END OF YEAR	\$ 3,723,201	\$ 488,363	\$ 4,211,564

See accompanying Notes to Financial Statements.

MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2021

	Program Services	Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services		
Direct Costs of Wishes	\$ 294,952	\$ -	\$ -	\$ -	\$ -	\$ 294,952
Salaries, Taxes, and Benefits	220,374	195,954	228,127	424,081	-	644,455
Printing, Subscriptions, and Publications	311	47,058	145	47,203	-	47,514
Professional Fees	15,473	9,361	48,672	58,033	-	73,506
Rent and Utilities	29,633	20,874	22,981	43,855	-	73,488
Postage and Delivery	3,370	10,131	212	10,343	-	13,713
Travel	827	2,453	356	2,809	-	3,636
Meetings and Conferences	1,094	10,566	4,455	15,021	-	16,115
Office Supplies	3,156	4,033	683	4,716	-	7,872
Communications	4,559	3,445	2,899	6,344	-	10,903
Advertising and Media (Cash)	-	60,293	-	60,293	-	60,293
Repairs and Maintenance	827	582	627	1,209	-	2,036
Membership Dues	237	787	564	1,351	-	1,588
National Partnership Dues	88,720	14,387	16,786	31,173	-	119,893
Miscellaneous	9,476	18,168	7,216	25,384	-	34,860
Depreciation and Amortization	8,872	6,250	6,729	12,979	-	21,851
Special Event - Direct Donor Benefits	-	-	-	-	57,163	57,163
Total Expenses	<u>681,881</u>	<u>404,342</u>	<u>340,452</u>	<u>744,794</u>	<u>57,163</u>	<u>1,483,838</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(57,163)</u>	<u>(57,163)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 681,881</u>	<u>\$ 404,342</u>	<u>\$ 340,452</u>	<u>\$ 744,794</u>	<u>\$ -</u>	<u>\$ 1,426,675</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
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	\$ 658,736	\$ -	\$ -	\$ -	\$ -	\$ 658,736
Salaries, Taxes, and Benefits	250,125	229,502	244,542	474,044	-	724,169
Printing, Subscriptions, and Publications	8,546	27,890	951	28,841	-	37,387
Professional Fees	3,092	2,669	55,875	58,544	-	61,636
Rent and Utilities	29,227	18,888	23,169	42,057	-	71,284
Postage and Delivery	4,592	9,746	218	9,964	-	14,556
Travel	8,890	7,610	5,264	12,874	-	21,764
Meetings and Conferences	15,164	28,530	3,873	32,403	-	47,567
Office Supplies	5,808	1,427	1,809	3,236	-	9,044
Communications	4,835	2,071	1,732	3,803	-	8,638
Advertising and Media (Cash)	-	73,913	-	73,913	-	73,913
Repairs and Maintenance	1,246	758	272	1,030	-	2,276
Insurance	65	36	126	162	-	227
Bad Debt Expense	-	22,585	-	22,585	-	22,585
Membership Dues	359	197	531	728	-	1,087
National Partnership Dues	134,393	17,012	18,713	35,725	-	170,118
Miscellaneous	6,843	15,601	3,032	18,633	-	25,476
Depreciation and Amortization	10,272	5,639	4,229	9,868	-	20,140
Special Event - Direct Donor Benefits	-	-	-	-	8,870	8,870
Total Expenses	<u>1,142,193</u>	<u>464,074</u>	<u>364,336</u>	<u>828,410</u>	<u>8,870</u>	<u>1,979,473</u>
Less: Expenses Netted Against Revenues on the Statement of Activities						
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,870)</u>	<u>(8,870)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 1,142,193</u>	<u>\$ 464,074</u>	<u>\$ 364,336</u>	<u>\$ 828,410</u>	<u>\$ -</u>	<u>\$ 1,970,603</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2021 AND 2020**

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,529,242	\$ (60,651)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	21,851	20,140
Forgiveness of Paycheck Protection Program Loan	(115,747)	-
Bad Debt Expense	-	22,585
Net Realized and Unrealized Gains on Investments	(519,919)	(452,477)
Change in Discount to Present Value of Contributions Receivable	(5,627)	(11,629)
Change in Beneficial Interest in Assets Held by National	(71,042)	(18,164)
Contributions to Beneficial Interest in Assets Held by National	(255,761)	(49,054)
Contributed Other Assets	(3,890)	(13,500)
Changes in Assets and Liabilities:		
Contributions Receivable	(294,233)	243,451
Due from Related Entities	(10,809)	(10,271)
Prepaid Expenses	(27,169)	17,624
Other Assets	-	(4,450)
Accounts Payable and Accrued Expenses	36,936	(83,218)
Due to Related Entities	(47,755)	30,529
Deferred Revenue	3,500	-
Net Cash Provided (Used) by Operating Activities	239,577	(369,085)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(3,733,719)	(685,417)
Proceeds from Sales of Investments	3,721,283	895,515
Purchases of Property and Equipment	(149,838)	(108,479)
Purchase of Beneficial Interest in Assets Held by Others	-	(49,054)
Net Cash Provided (Used) by Investing Activities	(162,274)	52,565
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted for Long-Term Investment	-	49,054
Proceeds from Paycheck Protection Program	120,252	115,747
Net Cash Provided by Financing Activities	120,252	164,801
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	197,555	(151,719)
Cash and Cash Equivalents - Beginning of Year	155,206	306,925
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 352,761	\$ 155,206
SUPPLEMENTAL DISCLOSURE OF NONCASH ACTIVITY		
Contributed Other Assets	\$ 3,890	\$ 13,500

See accompanying Notes to Financial Statements.

MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 1 ORGANIZATION

Make-A-Wish® Foundation of Northeast New York (Foundation) is a New York 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 trustees.

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-restricted 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 NORTHEAST NEW YORK
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 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 five years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the lease. 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 NORTHEAST NEW YORK
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.

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

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. The exchange element of the special event revenue was approximately \$57,000 for the year ended August 31, 2021. The portion that is considered to be exchange revenue is recognized as revenue when the performance obligations are met which is the occurrence of the event.

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 NORTHEAST NEW YORK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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

The Foundation received in-kind contributions of assets and 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, 2021</u>				
Wish Related	\$ 95,961	\$ -	\$ -	\$ 95,961
Other	1,322	27	-	1,349
Total	<u>\$ 97,283</u>	<u>\$ 27</u>	<u>\$ -</u>	97,310
Other Assets, Net Change				3,890
Total				<u>\$ 101,200</u>
	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
<u>August 31, 2020</u>				
Wish Related	\$ 151,137	\$ -	\$ -	\$ 151,137
Professional Services	200	-	-	200
Other	3,879	-	-	3,879
Total	<u>\$ 155,216</u>	<u>\$ -</u>	<u>\$ -</u>	155,216
Special Events				1,670
Other Assets, Net Change				13,500
Total				<u>\$ 170,386</u>

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

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and New York State taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3) and of the New York State tax code. 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 NORTHEAST NEW YORK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

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, 2021 and 2020. The Foundation files income tax returns in the U.S. federal jurisdiction, applicable state jurisdictions.

Functional Expenses

The Foundation performs four functions: wish granting, program-related support, fundraising, and management and general. Definitions of these functions are as follows:

Wish Granting

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

Fundraising

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations.

Management and General

All costs not identifiable with a specific programs or fundraising activities, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment, and other expenses.

Expenses that benefit more than one function of the Foundation are allocated among the functions based generally on the amount of time spent by employees on each function.

Management Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Change in Accounting Principle

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-19, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Foundation's financial statements reflect the adoption of ASU 2014-09 guidance beginning in fiscal year 2021. The adoption of 2014-09 did not impact the Foundation's reported revenue.

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 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.

	2021	2020
Total Financial Assets	\$ 5,037,303	\$ 3,996,724
Donor Imposed Restrictions:		
Restricted Funds	(528,846)	(263,629)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 4,508,457	\$ 3,733,095

Financial Assets include cash and cash equivalents, investments, due from related entities, and contributions receivable. 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.

Endowment funds consist of donor-restricted endowments and funds designated by the board as endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

MAKE-A-WISH® FOUNDATION OF NORTHEAST NEW YORK
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

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, 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.

Overall Investment Objective

The overall investment objective of the Foundation is to invest its assets in a prudent manner that will have growth of principal, preservation of purchasing power and sufficient liquidity to meet all expected and unexpected cash flow needs. The Foundation diversifies its investments among various asset classes incorporating multiple strategies and the use of an investment manager. 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 and liabilities that are measured at fair value on a recurring basis at August 31:

	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
<u>August 31, 2021</u>					
Assets:					
Investments:					
Exchange-Traded Funds	\$ 3,286,087	\$ -	\$ -	\$ -	\$ 3,286,087
Equity Securities	10,566	-	-	-	10,566
Debt Securities	-	698,655	-	-	698,655
Cash and Cash Equivalents	-	-	-	84,041	84,041
Total Investments	3,296,653	698,655	-	84,041	4,079,349
Beneficial Interest in Assets					
Held by Others	-	-	551,537	-	551,537
Total Assets	\$ 3,296,653	\$ 698,655	\$ 551,537	\$ 84,041	\$ 4,630,886

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Assets Not Held at Fair Value</u>	<u>Total</u>
<u>August 31, 2020</u>					
Assets:					
Investments:					
Exchange-Traded Funds	\$ 1,312,141	\$ -	\$ -	\$ -	\$ 1,312,141
Bonds	1,283,375	-	-	-	1,283,375
Debt Securities	-	791,985	-	-	791,985
Cash and Cash Equivalents	-	-	-	159,493	159,493
Total Investments	<u>2,595,516</u>	<u>791,985</u>	<u>-</u>	<u>159,493</u>	<u>3,546,994</u>
Beneficial Interest in Assets					
Held by Others	-	-	224,734	-	224,734
Total Assets	<u>\$ 2,595,516</u>	<u>\$ 791,985</u>	<u>\$ 224,734</u>	<u>\$ 159,493</u>	<u>\$ 3,771,728</u>

For the valuation of Level 2 investments 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).

There were no purchases, sales, transfers in or transfers out of Level 3 investments for the years ending August 31, 2021 or 2020.

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.

<u>Quantitative Information About Level 3 Fair Value Measurements</u>			
<u>Type of Assets</u>	<u>Fair Value at August 31, 2021</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>
Beneficial Interests in Trusts Held by Others	\$ 551,537	Fair Market Value of Investments	Value of Underlying Assets
<u>Type of Assets</u>	<u>Fair Value at August 31, 2020</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>
Beneficial Interests in Trusts Held by Others	\$ 224,734	Fair Market Value of Investments	Value of Underlying Assets

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NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at a rate of 5% at both 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	\$ 548,709	\$ 268,895
One to Five Years	48,794	34,375
Gross Contributions Receivable	597,503	303,270
Less: Allowance for Doubtful Accounts		-
Less: Discount to Present Value	(19,239)	(24,866)
Contributions Receivable, Net	\$ 578,264	\$ 278,404

NOTE 6 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

Beneficial Interest in Assets Held by National

The Foundation had received a gift for an endowment which was transferred by the Foundation to the Wishes Forever Endowment Fund at the National Organization. The original corpus is not redeemable by the Foundation at any time. Distributions from earnings will be made by the National Organization to the Foundation according to the National Organization's Endowment Spending Policy. The Foundation's beneficial interest in this endowment being held by the National Organization is \$551,537 and \$224,734, respectively, as of August 31, 2021 and 2020.

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 \$375,499 and \$240,469 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 \$417,089 and \$270,565 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 \$-0-, respectively, for the years ended August 31, 2021 and 2020, which is recorded in the accompanying statements of activities as Other Income.

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NOTE 7 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

Amounts due from and to related entities are as follows:

	<u>2021</u>	<u>2020</u>
Due from National Organization	\$ 24,035	\$ 16,120
Due from Other Chapters	2,894	-
Total Due from Related Entities	<u>\$ 26,929</u>	<u>\$ 16,120</u>
Due to National Organization	\$ 1,669	\$ 49,647
Due to Other Chapters	223	-
Total Due to Related Entities	<u>\$ 1,892</u>	<u>\$ 49,647</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 and the endowment fund. 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, 2021 and 2020, the Foundation received contributions, both cash and in-kind, from board members totaling \$104,904 and \$70,918, respectively. Amounts paid to related parties for goods and services used in the Foundation's operations totaled \$60,000 and \$25,600 for the years ended August 31, 2021 and 2020, respectively.

NOTE 8 PROPERTY AND EQUIPMENT, NET

Property and equipment costs consist of the following as of August 31:

	<u>2021</u>	<u>2020</u>
Computer Equipment and Software	\$ 59,358	\$ 59,358
Office Furniture and Equipment	28,100	28,100
Leasehold Improvements	85,616	79,416
Total	173,074	166,874
Less: Accumulated Depreciation and Amortization	(157,500)	(135,650)
Construction in Progress	252,116	108,479
Property and Equipment, Net	<u>\$ 267,690</u>	<u>\$ 139,703</u>

Depreciation and amortization expense totaled \$21,851 and \$20,140 for the years ended August 31, 2021 and 2020.

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NOTE 9 LEASES

The Foundation is obligated under an operating lease for office space, which expires on November 20, 2024. Total rent expense for the operating lease for the years ended August 31, 2021 and 2020 totaled \$63,667 and \$61,704, respectively.

Future minimum lease payments under the operating lease are as follows:

<u>Year Ending August 31,</u>	<u>Operating Leases</u>
2022	\$ 67,894
2023	70,125
2024	70,125
Total Minimum Lease Payments	<u>\$ 208,144</u>

NOTE 10 NET ASSETS

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:		
Wish Granting	\$ 1,000	\$ -
Total	<u>1,000</u>	<u>-</u>
Subject to Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	<u>198,140</u>	<u>173,362</u>
Total	198,140	173,362
Not Subject to Spending Policy or Appropriation:		
Beneficial Interest in Assets Held by National:		
Arsenault Endowment	131,166	110,694
Kolbe Endowment	192,890	114,040
McPartlon Endowment	227,481	-
Promises to Give Restricted to Endowment	<u>329,706</u>	<u>90,267</u>
Total	<u>881,243</u>	<u>315,001</u>
Total Donor Restricted Net Assets	<u>\$ 1,080,383</u>	<u>\$ 488,363</u>

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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 one year 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 will contribute 2.0% of base salary that an employee contributes to his/her 403(b) account; the Foundation will contribute an additional 0.5% up to 1.0%. Thus, the Foundation will contribute a maximum of 3.0% of base salary to an employee's 403(b) account. Foundation contributions to the Plan for the years ended August 31, 2021 and 2020 were \$14,818 and \$18,125, respectively.

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 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.

Cash contributions totaling \$500,000 were received from one donor for the year ended August 31, 2021, which represents 22% of raised revenue which consists of total public support and gross internal special event revenue. Should these contribution levels decrease, the Foundation may be adversely affected.

For the years ended August 31, 2021 and 2020 two donors represent 40% and 51% of the contributions receivable balance.

NOTE 13 LITIGATION AND CLAIMS

The Foundation may be, from time-to-time, involved in litigation and claims arising in the ordinary course of business. In the opinion of management, there is no pending litigation that would have a material adverse effect on the Foundation's financial position, change in net assets, or liquidity.

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NOTE 14 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the fiscal years ended August 31, 2021 and 2020, the Foundation granted 29 and 58 wishes, respectively. As of August 31, 2021 and 2020, there were approximately 115 and 100, respectively, wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2021 was \$6,968 in cash and \$1,781 in in-kind for a total cost of \$8,749. The average cost of a wish for the year ended August 31, 2020 was \$7,002 in cash and \$5,429 in in-kind for a total cost of \$12,431.

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 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 74% of wishes granted and the number of granted wishes averaged approximately 73. The number of wishes granted during the years ended August 31, 2021 and 2020 was 29 and 58.

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.

NOTE 16 PAYCHECK PROTECTION PROGRAM

The Foundation applied for and was approved for a \$115,747 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 11, 2020. The loan accrues interest at 1%, but payments are not required to begin for six months after the 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 \$115,747 on January 7, 2021.

Under the second round of Paycheck Protection Program funding, the Foundation applied for and was approved for an additional \$120,252 loan. The loan was received on March 17, 2021. The loan accrues interest at 1%, with the first 10 months of interest deferred, 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.

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NOTE 16 PAYCHECK PROTECTION PROGRAM (CONTINUED)

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 statements of financial position date through January 24, 2022, the date at which the financial statements were available to be issued.