

**MAKE-A-WISH FOUNDATION® OF CONNECTICUT**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Connecticut  
Trumbull, Connecticut

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Connecticut, 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 Directors  
Make-A-Wish Foundation® of Connecticut

***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 Connecticut 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  
December 22, 2021

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

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 955,736	\$ 602,203
Investments	4,662,182	4,337,061
Due from Related Entities	107,395	94,606
Prepaid Expenses	114,769	116,035
Contributions Receivable, Net	1,151,329	898,092
Other Assets	13,053	3,133
Investments Held for Long-Term Purposes	519,320	467,136
Property and Equipment, Net	7,034,587	5,586,551
Beneficial Interest in Assets Held by National	<u>193,215</u>	<u>168,640</u>
Total Assets	<u><u>\$ 14,751,586</u></u>	<u><u>\$ 12,273,457</u></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 296,704	\$ 451,498
Due to Related Entities	4,021	8,902
Capital Lease Obligations	13,179	1,199
Paycheck Protection Program	289,210	280,800
Line of Credit	-	2,600,000
Note Payable	<u>2,755,374</u>	<u>-</u>
Total Liabilities	3,358,488	3,342,399
<b>NET ASSETS</b>		
Without Donor Restrictions	9,684,757	7,417,190
With Donor Restrictions	<u>1,708,341</u>	<u>1,513,868</u>
Total Net Assets	<u>11,393,098</u>	<u>8,931,058</u>
Total Liabilities and Net Assets	<u><u>\$ 14,751,586</u></u>	<u><u>\$ 12,273,457</u></u>

See accompanying Notes to Financial Statements.

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions	\$ 4,738,254	\$ 623,496	\$ 5,361,750
Grants	83,068	-	83,068
Total Public Support	<u>4,821,322</u>	<u>623,496</u>	<u>5,444,818</u>
Internal Special Events	500,001	-	500,001
Less: Costs of Direct Benefits to Donors	<u>(100,810)</u>	<u>-</u>	<u>(100,810)</u>
Total Internal Special Events	399,191	-	399,191
Investment Income, Net	462,751	52,185	514,936
Forgiveness of Paycheck Protection Program Loan	280,800	-	280,800
Other Income, Net	600	-	600
Change in Value of Beneficial Interest	-	30,911	30,911
Net Assets Released from Restrictions	<u>512,119</u>	<u>(512,119)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	6,476,783	194,473	6,671,256
<b>EXPENSES</b>			
Program Services:			
Wish Granting	<u>2,515,150</u>	<u>-</u>	<u>2,515,150</u>
Total Program Services	2,515,150	-	2,515,150
Support Services:			
Fundraising	1,236,933	-	1,236,933
Management and General	<u>457,133</u>	<u>-</u>	<u>457,133</u>
Total Support Services	<u>1,694,066</u>	<u>-</u>	<u>1,694,066</u>
Total Expenses	<u>4,209,216</u>	<u>-</u>	<u>4,209,216</u>
<b>CHANGE IN NET ASSETS</b>	2,267,567	194,473	2,462,040
Net Assets - Beginning of Year	<u>7,417,190</u>	<u>1,513,868</u>	<u>8,931,058</u>
<b>NET ASSETS - END OF YEAR</b>	<u><u>\$ 9,684,757</u></u>	<u><u>\$ 1,708,341</u></u>	<u><u>\$ 11,393,098</u></u>

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions	\$ 4,602,535	\$ 722,307	\$ 5,324,842
Grants	55,305	-	55,305
Total Public Support	4,657,840	722,307	5,380,147
Internal Special Events	900,018	-	900,018
Less: Costs of Direct Benefits to Donors	(128,628)	-	(128,628)
Total Internal Special Events	771,390	-	771,390
Investment Income, Net	340,411	52,267	392,678
Other Income, Net	360	-	360
Change in Value of Beneficial Interest	-	7,929	7,929
Net Assets Released from Restrictions	199,834	(199,834)	-
Total Revenues, Gains, and Other Support	5,969,835	582,669	6,552,504
<b>EXPENSES</b>			
Program Services:			
Wish Granting	2,986,333	-	2,986,333
Total Program Services	2,986,333	-	2,986,333
Support Services:			
Fundraising	1,180,098	-	1,180,098
Management and General	474,459	-	474,459
Total Support Services	1,654,557	-	1,654,557
Total Expenses	4,640,890	-	4,640,890
<b>CHANGE IN NET ASSETS</b>	1,328,945	582,669	1,911,614
Net Assets - Beginning of Year	6,088,245	931,199	7,019,444
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 7,417,190</u>	<u>\$ 1,513,868</u>	<u>\$ 8,931,058</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF CONNECTICUT**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2021**

	Program Services	Support Services			Direct	
	Wish Granting	Fundraising	Management and General	Total Support Services	Donor Benefits	Total
Direct Costs of Wishes	\$ 1,084,967	\$ -	\$ -	\$ -	\$ -	\$ 1,084,967
Salaries, Taxes, and Benefits	893,529	509,425	224,603	734,028	-	1,627,557
Printing, Subscriptions, and Publications	4,293	7,887	906	8,793	-	13,086
Professional Fees	62,464	64,262	120,613	184,875	-	247,339
Rent and Utilities	49,101	27,994	12,342	40,336	-	89,437
Postage and Delivery	7,625	5,043	1,127	6,170	-	13,795
Travel	1,262	1,711	58	1,769	-	3,031
Meetings and Conferences	19,363	39,176	2,794	41,970	-	61,333
Office Supplies	21,153	12,300	3,214	15,514	-	36,667
Communications	13,709	7,816	3,447	11,263	-	24,972
Advertising and Media (Cash)	-	1,867	-	1,867	-	1,867
Advertising and Media (In-Kind)	-	346,188	-	346,188	-	346,188
Repairs and Maintenance	4,258	2,428	1,070	3,498	-	7,756
Bad Debt Expense	-	51,000	-	51,000	-	51,000
Membership Dues	999	1,431	206	1,637	-	2,636
National Partnership Dues	217,532	39,277	45,319	84,596	-	302,128
Miscellaneous	63,312	78,316	23,440	101,756	-	165,068
Depreciation and Amortization	71,583	40,812	17,994	58,806	-	130,389
Special Event - Direct Donor Benefits	-	-	-	-	100,810	100,810
Total	2,515,150	1,236,933	457,133	1,694,066	100,810	4,310,026
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(100,810)	(100,810)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 2,515,150</u>	<u>\$ 1,236,933</u>	<u>\$ 457,133</u>	<u>\$ 1,694,066</u>	<u>\$ -</u>	<u>\$ 4,209,216</u>

See accompanying Notes to Financial Statements.



**MAKE-A-WISH FOUNDATION® OF CONNECTICUT**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2020**

	Program Services	Support Services			Direct	
	Wish Granting	Fundraising	Management and General	Total Support Services	Donor Benefits	Total
Direct Costs of Wishes	\$ 1,395,248	\$ -	\$ -	\$ -	\$ -	\$ 1,395,248
Salaries, Taxes, and Benefits	947,091	551,317	229,859	781,176	-	1,728,267
Printing, Subscriptions, and Publications	3,531	17,379	904	18,283	-	21,814
Professional Fees	99,784	84,749	135,500	220,249	-	320,033
Rent and Utilities	53,069	30,892	13,379	44,271	-	97,340
Postage and Delivery	5,038	3,738	1,361	5,099	-	10,137
Travel	6,943	8,436	4,069	12,505	-	19,448
Meetings and Conferences	5,525	31,423	2,347	33,770	-	39,295
Office Supplies	57,565	24,618	7,907	32,525	-	90,090
Communications	14,077	8,195	4,413	12,608	-	26,685
Advertising and Media (Cash)	-	415	-	415	-	415
Advertising and Media (In-Kind)	-	272,425	-	272,425	-	272,425
Insurance	313	182	77	259	-	572
Bad Debt Expense	-	6,500	-	6,500	-	6,500
Repairs and Maintenance	20,316	11,826	4,925	16,751	-	37,067
Membership Dues	1,133	3,187	251	3,438	-	4,571
National Partnership Dues	277,940	38,701	35,182	73,883	-	351,823
Miscellaneous	59,333	63,164	24,716	87,880	-	147,213
Depreciation and Amortization	39,427	22,951	9,569	32,520	-	71,947
Special Event - Direct Donor Benefits	-	-	-	-	128,628	128,628
Total	2,986,333	1,180,098	474,459	1,654,557	128,628	4,769,518
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(128,628)	(128,628)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 2,986,333</u>	<u>\$ 1,180,098</u>	<u>\$ 474,459</u>	<u>\$ 1,654,557</u>	<u>\$ -</u>	<u>\$ 4,640,890</u>

See accompanying Notes to Financial Statements.

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

	2021	2020
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 2,462,040	\$ 1,911,614
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation and Amortization	130,389	71,947
Forgiveness of Paycheck Protection Program Loan	(280,800)	-
Bad Debt Expense and Other	51,000	6,500
Net Realized and Unrealized Losses on Investments	(350,804)	(169,977)
Loss on Sale of Property and Equipment	-	240
Contributed Property and Equipment	(317,891)	(86,598)
Contributed Other Assets	(10,660)	-
Distribution of Beneficial Interest in Assets Held by National	6,336	-
Change in Beneficial Interest in Assets Held by National	(30,911)	(14,603)
Distribution of Split-Interest Agreements	-	17,074
Change in Discount to Present Value of Contributions Receivable	4,589	2,709
(Increase) Decrease in Assets:		
Contributions Receivable	(308,826)	(506,186)
Due from Related Entities	(12,789)	(57,746)
Prepaid Expenses	1,266	43,595
Other Assets	740	(376)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(29,886)	(268,774)
Due to Related Entities	(4,881)	(6,801)
Deferred Rent	-	(2,589)
Net Cash Provided by Operating Activities	1,308,912	940,029
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(1,268,820)	(1,073,413)
Proceeds from Sales of Investments	1,242,319	751,523
Purchases of Property and Equipment	(1,367,323)	(2,946,736)
Net Cash Used by Investing Activities	(1,393,824)	(3,268,626)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Capital Lease Obligations	(6,139)	(4,906)
Proceeds from Paycheck Protection Program Loan	289,210	280,800
Proceeds from Line of Credit, Net	200,000	2,600,000
Principal Payments on Notes Payable	(44,626)	-
Net Cash Provided by Financing Activities	438,445	2,875,894
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	353,533	547,297
Cash and Cash Equivalents - Beginning of Year	602,203	54,906
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u>\$ 955,736</u>	<u>\$ 602,203</u>
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Interest Paid	<u>\$ 68,406</u>	<u>\$ 35,680</u>
Contributed Other Assets	<u>\$ 10,660</u>	<u>\$ -</u>
Contributed Property and Equipment	<u>\$ 317,891</u>	<u>\$ 86,598</u>
Capitalized Construction Retainage Liability	<u>\$ -</u>	<u>\$ 124,908</u>
Capitalized Accounts Payable Liabilities	<u>\$ -</u>	<u>\$ 80,597</u>
Property and Equipment Acquired through a Capital Lease	<u>\$ 18,119</u>	<u>\$ -</u>
Conversion of Line of Credit to Notes Payable	<u>\$ 2,800,000</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of Connecticut (the Foundation) is a Connecticut 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. In addition, 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 CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED 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 \$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 3 to 40 years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the leases. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

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

**Fair Value Measurements**

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

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

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

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

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

**MAKE-A-WISH FOUNDATION® OF CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED 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 \$101,000 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.

**MAKE-A-WISH FOUNDATION® OF CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

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

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

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

August 31, 2021	Program	Fundraising	Management and General	Total
Wish Related	\$ 394,318	\$ -	\$ -	\$ 394,318
Professional Services	10,299	5,952	2,542	18,793
Advertising and Media	-	346,188	-	346,188
Other	8,260	1,733	761	10,754
Total	<u>\$ 412,877</u>	<u>\$ 353,873</u>	<u>\$ 3,303</u>	770,053
Special Events				22,438
Contributions Receivable, Net Change				21,287
Other Assets, Net Change				10,660
Property and Equipment				317,891
Total				<u>\$ 1,142,329</u>

  

August 31, 2020	Program	Fundraising	Management and General	Total
Wish Related	\$ 542,377	\$ -	\$ -	\$ 542,377
Professional Services	10,036	5,842	2,436	18,314
Rent	2,192	1,276	532	4,000
Advertising and Media	-	272,425	-	272,425
Other	23,606	13,098	5,461	42,165
Total	<u>\$ 578,211</u>	<u>\$ 292,641</u>	<u>\$ 8,429</u>	879,281
Special Events				2,200
Other Assets, Net Change				(751)
Property and Equipment				86,598
Total				<u>\$ 967,328</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.

**MAKE-A-WISH FOUNDATION® OF CONNECTICUT**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2021 AND 2020**

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

Advertising and media is used to help the Foundation communicate its message or mission and includes fundraising 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.

Donated advertising and media is reported as contribution revenue and fundraising expense when received and the reporting of such contributions 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 Connecticut 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 Connecticut jurisdiction.

**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 single program or fundraising activity, 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.

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**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 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	\$ 7,395,962	\$ 6,399,098
Donor Imposed Restrictions:		
Restricted Funds	(1,189,021)	(1,046,732)
Endowments	(519,320)	(467,136)
Net Financial Assets after Donor-Imposed Restrictions	5,687,621	4,885,230
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 5,687,621	\$ 4,885,230



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**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.

Endowment funds consist of donor-restricted 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.

**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 achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation. The Foundation diversifies its investments among various asset classes incorporating multiple strategies and managers. Major investment decisions are authorized by the board's audit and finance committee, which oversees the Foundation's investment program in accordance with established guidelines.

**Allocation of Investment Strategies**

In addition to traditional stocks and fixed income securities, the Foundation may also hold shares or units in traditional institutional funds as well as in alternative investment funds involving hedged strategies, private equity, and real asset strategies.

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**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Fair Value Hierarchy**

The following tables present the placement in the fair value hierarchy of assets that are measured at fair value at August 31:

<u>August 31, 2021</u>	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Assets Not Held at Fair Value</u>	<u>Total</u>
Assets:					
Investments:					
Mutual Funds	\$ 2,566,757	\$ -	\$ -	\$ -	\$ 2,566,757
Exchange-Traded Funds	30,065	-	-	-	30,065
Certificates of Deposit	-	159,136	-	-	159,136
Debt Securities	-	1,866,671	-	-	1,866,671
Cash	-	-	-	558,873	558,873
Total Investments	<u>2,596,822</u>	<u>2,025,807</u>	<u>-</u>	<u>558,873</u>	<u>5,181,502</u>
Beneficial Interest in Assets Held by National	<u>-</u>	<u>-</u>	<u>193,215</u>	<u>-</u>	<u>193,215</u>
Total Assets	<u>\$ 2,596,822</u>	<u>\$ 2,025,807</u>	<u>\$ 193,215</u>	<u>\$ 558,873</u>	<u>\$ 5,374,717</u>
<u>August 31, 2020</u>					
Assets:					
Investments:					
Mutual Funds	\$ 2,214,303	\$ -	\$ -	\$ -	\$ 2,214,303
Exchange-Traded Funds	29,309	-	-	-	29,309
Certificates of Deposit	-	456,209	-	-	456,209
Debt Securities	-	1,847,398	-	-	1,847,398
Cash	-	-	-	256,978	256,978
Total Investments	<u>2,243,612</u>	<u>2,303,607</u>	<u>-</u>	<u>256,978</u>	<u>4,804,197</u>
Beneficial Interest in Assets Held by National	<u>-</u>	<u>-</u>	<u>168,640</u>	<u>-</u>	<u>168,640</u>
Total Assets	<u>\$ 2,243,612</u>	<u>\$ 2,303,607</u>	<u>\$ 168,640</u>	<u>\$ 256,978</u>	<u>\$ 4,972,837</u>

For the valuation of certificates of deposit 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 ended August 31, 2021 and 2020.

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**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

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
Beneficial Interests in Trust Held by Others	\$ 193,215	Fair Market Value of Investments	Value of Underlying Assets
Type of Assets	Fair Value at August 31, 2020	Principal Valuation Technique	Unobservable Inputs
Beneficial Interests in Trust Held by Others	\$ 168,640	Fair Market Value of Investments	Value of Underlying Assets

**NOTE 5 CONTRIBUTIONS RECEIVABLE**

Contributions receivable include pledges that have been discounted at a rate of 1.92% at August 31, 2021 and rates ranging from 3.37% to 4.74% at August 31, 2020. The following is a summary of the Foundation's contributions receivable at August 31:

	2021	2020
Total Amounts Due in:		
Within One Year	\$ 678,493	\$ 419,666
One to Five Years	490,333	491,334
Gross Contributions Receivable	1,168,826	911,000
Less: Discount to Present Value	(17,497)	(12,908)
Contributions Receivable, Net	<u>\$ 1,151,329</u>	<u>\$ 898,092</u>

**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 \$193,215 and \$168,640, respectively, as of August 31, 2021 and 2020.

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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 \$877,077 and \$654,119 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 \$491,577 and \$440,978 were paid from the Foundation to the National Organization during the years ended August 31, 2021 and 2020.

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 Foundation received \$600 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:

	2021	2020
Due from National Organization	\$ 106,697	\$ 94,606
Due from Other Chapters	698	-
Total Due from Related Entities	<u>\$ 107,395</u>	<u>\$ 94,606</u>
Due to National Organization	\$ 327	\$ 3,900
Due to Other Chapters	3,694	5,002
Total Due to Related Entities	<u>\$ 4,021</u>	<u>\$ 8,902</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.

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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 \$284,416 and \$1,324,952, respectively. At August 31, 2021 and 2020, amounts due from board members totaling \$500,539 and \$695,932, respectively, and are included in contributions receivable in the accompanying statements of financial position.

**NOTE 8 PROPERTY AND EQUIPMENT, NET**

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

	2021	2020
Land	\$ 1,367,449	\$ 1,365,981
Buildings and Building Improvements	3,517,860	3,517,860
Computer Equipment and Software	134,287	126,984
Office Furniture and Other Equipment	115,657	113,028
Construction in Progress	2,176,377	629,839
Total	7,311,630	5,753,692
Less: Accumulated Depreciation and Amortization	(277,043)	(167,141)
Property and Equipment, Net	<u>\$ 7,034,587</u>	<u>\$ 5,586,551</u>

Depreciation and amortization expense totaled \$130,389 and \$71,947, respectively, for the years ended August 31, 2021 and 2020.

**NOTE 9 LINE OF CREDIT AND NOTE PAYABLE**

The Foundation had a secured line of credit with a financial institution totaling \$3,500,000, bearing interest at adjusted daily London Interbank Offered Rate (LIBOR) rate and expiring on October 8, 2029. There was \$2,600,000 outstanding on this line of credit as of August 31, 2020. The LIBOR interest rate as of August 31, 2020 was 0.24%. The line is subject to various financial and nonfinancial covenants.

On February 1, 2021, the line of credit converted from an interest only loan to a note payable with a financial institution totaling \$2,800,000. The note bears interest at 3.15%, requires principal payments in equal monthly installments of \$13,490, and matures on October 8, 2029. The remaining principal payments subsequent to August 31, 2021 are as follows:

<u>Year Ending August 31,</u>	<u>Amount</u>
2022	\$ 75,987
2023	78,415
2024	80,922
2025	83,508
2026	86,176
Thereafter	2,350,366
Total	<u>\$ 2,755,374</u>

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**NOTE 10 LEASES**

The Foundation is obligated under one capital lease for equipment which expires December 18, 2023. This capital lease replaced an existing capital lease that was set to expire in November of 2020. As of August 31, 2021 and 2020, the cost of leased property and equipment under capital lease was \$18,119 and \$21,439, respectively, and accumulated depreciation was \$5,436 and \$20,486, respectively. The Foundation previously had one operating lease for office space that expired on December 31, 2019. Total rent expense for the operating lease for the year ended August 31, 2020 totaled \$62,965.

Future minimum lease payments under the capital lease having remaining terms in excess of one year are:

<u>Year Ending August 31,</u>	<u>Capital Leases</u>
2022	\$ 6,211
2023	6,211
2024	2,069
Total Minimum Lease Payments	14,491
Less: Amounts Representing Interest	(1,312)
Present Value of Net Minimum Lease Payments	<u>\$ 13,179</u>

**NOTE 11 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	\$ 24,993	\$ -
Total	24,993	-
Subject to Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	970,813	878,092
Total	970,813	878,092
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	223,058	173,354
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
Wilson Endowment Fund	150,000	150,000
Ortense Endowment Fund	146,262	143,782
Total	519,320	467,136
Not Subject to Spending Policy or Appropriation:		
Beneficial Interest in Assets Held by National	193,215	168,640
Total	193,215	168,640
Total Donor-Restricted Net Assets	<u>\$ 1,708,341</u>	<u>\$ 1,513,868</u>

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**NOTE 12 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 two donor-restricted funds. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets, both donor-restricted and board-designated, are reflected as investments held for long-term purposes on the statements of financial position.

**Interpretation of Relevant Law**

The board of directors of the Foundation has interpreted the Connecticut 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:

In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

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

August 31, 2021	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 519,320	\$ 519,320
August 31, 2020	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 467,136	\$ 467,136

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**NOTE 12 ENDOWMENTS (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

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

<u>August 31, 2021</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds - Beginning of Year	\$ -	\$ 467,136	\$ 467,136
Investment Return:			
Investment Income	-	17,212	17,212
Net Appreciation (Realized and Unrealized)	-	34,972	34,972
Total Investment Return	-	52,184	52,184
Endowment Funds - End of Year	\$ -	\$ 519,320	\$ 519,320
	\$ -	\$ 519,320	\$ 519,320
<u>August 31, 2020</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds - Beginning of Year	\$ -	\$ 429,471	\$ 429,471
Investment Return:			
Investment Income	-	20,865	20,865
Net Appreciation (Realized and Unrealized)	-	16,800	16,800
Total Investment Return	-	37,665	37,665
Endowment Funds - End of Year	\$ -	\$ 467,136	\$ 467,136
	\$ -	\$ 467,136	\$ 467,136

**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 were no such 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 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 5% annually. Actual returns in any given year may vary from this amount.



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**NOTE 12 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.

**NOTE 13 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. 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 \$41,108 and \$44,771, respectively.

**NOTE 14 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 of \$950,000 were received from a single donor for the year ended August 31, 2020, which represents 15% of raised revenue which consists of total public support and gross internal special event revenue. There were no donors who constitute a concentration for the year ended August 31, 2021. 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. Should these contribution levels decrease, the Foundation may be adversely affected.

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**NOTE 15 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 115 and 102 wishes, respectively. As of August 31, 2021 and 2020, respectively, there were approximately 325 and 280 wish children who are eligible for a wish. The average cost of a wish for the fiscal year ended August 31, 2021 was \$6,181 in cash and \$3,936 in in-kind for a total cost of \$10,117. The average cost of a wish for the year ended August 31, 2020 was \$6,435 in cash and \$6,843 in in-kind for a total cost of \$13,278.

**NOTE 16 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 81% of wishes granted and the number of granted wishes averaged approximately 231. The number of wishes granted during the years ended August 31, 2021 and 2020 was 115 and 102, 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.

**NOTE 17 PAYCHECK PROTECTION PROGRAM**

The Foundation applied for and was approved for a \$280,800 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 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 \$280,800 on November 16, 2020.

Under the second round of Paycheck Protection Program funding, the Foundation applied for and was approved for an additional \$289,210 loan. The loan was received on January 27, 2021. The loan accrues interest at 1%, with the first ten 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. Subsequent to year-end, the loan was forgiven.

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**NOTE 17 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 18 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through December 22, 2021, the date at which the financial statements were available to be issued.

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