

**MAKE-A-WISH FOUNDATION®
OF NORTH DAKOTA**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2021 AND 2020



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MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
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YEARS ENDED AUGUST 31, 2021 AND 2020

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INDEPENDENT AUDITORS' REPORT

Finance Committee
Make-A-Wish Foundation® of North Dakota
Fargo, North Dakota

We have audited the accompanying financial statements of Make-A-Wish Foundation® of North Dakota (the Foundation), 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 ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statement

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 Foundation'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 Foundation'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.

Finance Committee
Make-A-Wish Foundation® of North Dakota

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 North Dakota 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

Minneapolis, Minnesota
January 18, 2022

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

| | <u>2021</u> | <u>2020</u> |
|---------------------------------------|----------------------------|----------------------------|
| ASSETS | | |
| Cash and Cash Equivalents | \$ 331,708 | \$ 121,938 |
| Investments | 5,882,862 | 5,325,024 |
| Due from Related Entities | 22,574 | 27,531 |
| Prepaid Expenses | 27,670 | 27,742 |
| Contributions Receivable, Net | - | 109,276 |
| Other Assets | 14,448 | 11,290 |
| Property and Equipment, Net | <u>1,983</u> | <u>4,751</u> |
| Total Assets | <u><u>\$ 6,281,245</u></u> | <u><u>\$ 5,627,552</u></u> |
| LIABILITIES AND NET ASSETS | | |
| LIABILITIES | | |
| Accounts Payable and Accrued Expenses | \$ 65,700 | \$ 40,427 |
| Due to Related Entities | 488 | 3,900 |
| Other Liabilities | - | 10,000 |
| Deferred Rent | 18,952 | 20,832 |
| Paycheck Protection Program | <u>78,109</u> | <u>82,966</u> |
| Total Liabilities | 163,249 | 158,125 |
| NET ASSETS | | |
| Without Donor Restrictions | 5,213,795 | 4,631,085 |
| With Donor Restrictions | <u>904,201</u> | <u>838,342</u> |
| Total Net Assets | <u>6,117,996</u> | <u>5,469,427</u> |
| Total Liabilities and Net Assets | <u><u>\$ 6,281,245</u></u> | <u><u>\$ 5,627,552</u></u> |

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2021

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| REVENUES, GAINS, AND OTHER SUPPORT | | | |
| Public Support: | | | |
| Contributions | \$ 1,160,041 | \$ 6,051 | \$ 1,166,092 |
| Grants | 106,056 | - | 106,056 |
| Total Public Support | 1,266,097 | 6,051 | 1,272,148 |
| Internal Special Events | 91,504 | - | 91,504 |
| Less: Costs of Direct Benefits to Donors | (24,752) | - | (24,752) |
| Total Internal Special Events | 66,752 | - | 66,752 |
| Investment Income, Net | 582,922 | 89,480 | 672,402 |
| Forgiveness of Paycheck Protection Program Loan | 82,966 | - | 82,966 |
| Other Income | 87 | - | 87 |
| Net Assets Released from Restrictions | 29,672 | (29,672) | - |
| Total Revenues, Gains, and Other Support | 2,028,496 | 65,859 | 2,094,355 |
| EXPENSES | | | |
| Program Services: | | | |
| Wish Granting | 873,369 | - | 873,369 |
| Total Program Services | 873,369 | - | 873,369 |
| Support Services: | | | |
| Fundraising | 338,659 | - | 338,659 |
| Management and General | 233,758 | - | 233,758 |
| Total Support Services | 572,417 | - | 572,417 |
| Total Expenses | 1,445,786 | - | 1,445,786 |
| CHANGE IN NET ASSETS | 582,710 | 65,859 | 648,569 |
| Net Assets - Beginning of Year | 4,631,085 | 838,342 | 5,469,427 |
| NET ASSETS - END OF YEAR | <u>\$ 5,213,795</u> | <u>\$ 904,201</u> | <u>\$ 6,117,996</u> |

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2020

| | Without Donor Restrictions | With Donor Restrictions | Total |
|---|-------------------------------|----------------------------|---------------------|
| REVENUES, GAINS, AND OTHER SUPPORT | | | |
| Public Support: | | | |
| Contributions | \$ 1,343,375 | \$ 10,000 | \$ 1,353,375 |
| Grants | 76,398 | - | 76,398 |
| Total Public Support | 1,419,773 | 10,000 | 1,429,773 |
| Internal Special Events | 22,666 | - | 22,666 |
| Less: Costs of Direct Benefits to Donors | (480) | - | (480) |
| Total Internal Special Events | 22,186 | - | 22,186 |
| Investment Income, Net | 462,675 | 63,590 | 526,265 |
| Other Income | 383 | - | 383 |
| Net Assets Released from Restrictions | 81,242 | (81,242) | - |
| Total Revenues, Gains, and Other Support | 1,986,259 | (7,652) | 1,978,607 |
| EXPENSES | | | |
| Program Services: | | | |
| Wish Granting | 1,039,569 | - | 1,039,569 |
| Total Program Services | 1,039,569 | - | 1,039,569 |
| Support Services: | | | |
| Fundraising | 388,996 | - | 388,996 |
| Management and General | 223,864 | - | 223,864 |
| Total Support Services | 612,860 | - | 612,860 |
| Total Expenses | 1,652,429 | - | 1,652,429 |
| CHANGE IN NET ASSETS | 333,830 | (7,652) | 326,178 |
| Net Assets - Beginning of Year | 4,297,255 | 845,994 | 5,143,249 |
| NET ASSETS - END OF YEAR | <u>\$ 4,631,085</u> | <u>\$ 838,342</u> | <u>\$ 5,469,427</u> |

See accompanying Notes to Financial Statements.

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

| | Program Services | Support Services | | | | |
|---|-------------------|-------------------|---------------------------|------------------------------|--------------------------|---------------------|
| | Wish Granting | Fundraising | Management and General | Total Support Services | Direct Donor Benefits | Total |
| Direct Costs of Wishes | \$ 385,662 | \$ - | \$ - | \$ - | \$ - | \$ 385,662 |
| Salaries, Taxes, and Benefits | 237,564 | 159,181 | 107,378 | 266,559 | - | 504,123 |
| Printing, Subscriptions, and Publications | 6,968 | 8,935 | 999 | 9,934 | - | 16,902 |
| Professional Fees | 2,111 | 4,058 | 28,362 | 32,420 | - | 34,531 |
| Rent and Utilities | 33,937 | 22,769 | 15,347 | 38,116 | - | 72,053 |
| Postage and Delivery | 5,036 | 3,945 | 1,059 | 5,004 | - | 10,040 |
| Travel | 1,215 | 836 | 227 | 1,063 | - | 2,278 |
| Meetings and Conferences | 1,519 | 5,070 | 976 | 6,046 | - | 7,565 |
| Office Supplies | 11,030 | 840 | 491 | 1,331 | - | 12,361 |
| Communications | 3,149 | 2,113 | 1,424 | 3,537 | - | 6,686 |
| Advertising and Media (Cash) | 2,550 | 3,582 | - | 3,582 | - | 6,132 |
| Advertising and Media (In-Kind) | 78,523 | 107,969 | 58,892 | 166,861 | - | 245,384 |
| Repairs and Maintenance | 471 | 316 | 213 | 529 | - | 1,000 |
| Membership Dues | 781 | 1,269 | 648 | 1,917 | - | 2,698 |
| Grants and Scholarships | 35,000 | - | - | - | - | 35,000 |
| National Partnership Dues | 63,723 | 11,506 | 13,276 | 24,782 | - | 88,505 |
| Miscellaneous | 2,367 | 5,087 | 3,669 | 8,756 | - | 11,123 |
| Depreciation and Amortization | 1,763 | 1,183 | 797 | 1,980 | - | 3,743 |
| Special Event - Direct Donor Benefits | - | - | - | - | 24,752 | 24,752 |
| Total Expenses by Function | 873,369 | 338,659 | 233,758 | 572,417 | 24,752 | 1,470,538 |
| Less Expenses Netted Against Revenues on the Statement of Activities: | | | | | | |
| Special Event Expenses | - | - | - | - | (24,752) | (24,752) |
| Total Expenses Included in the Expense Section of the Statement of Activities | <u>\$ 873,369</u> | <u>\$ 338,659</u> | <u>\$ 233,758</u> | <u>\$ 572,417</u> | <u>\$ -</u> | <u>\$ 1,445,786</u> |

See accompanying Notes to Financial Statements.

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

| | Program Services | Support Services | | | | |
|---|---------------------|-------------------|---------------------------|------------------------------|--------------------------|---------------------|
| | Wish Granting | Fundraising | Management and General | Total Support Services | Direct Donor Benefits | Total |
| Direct Costs of Wishes | \$ 410,673 | \$ - | \$ - | \$ - | \$ - | \$ 410,673 |
| Salaries, Taxes, and Benefits | 239,180 | 124,910 | 98,541 | 223,451 | - | 462,631 |
| Printing, Subscriptions, and Publications | 5,022 | 6,849 | 485 | 7,334 | - | 12,356 |
| Professional Fees | 1,424 | 2,716 | 31,277 | 33,993 | - | 35,417 |
| Rent and Utilities | 36,809 | 19,523 | 15,465 | 34,988 | - | 71,797 |
| Postage and Delivery | 6,132 | 1,585 | 1,325 | 2,910 | - | 9,042 |
| Travel | 5,408 | 2,975 | 5,067 | 8,042 | - | 13,450 |
| Meetings and Conferences | 6,226 | 4,115 | 3,770 | 7,885 | - | 14,111 |
| Office Supplies | 11,054 | 504 | 654 | 1,158 | - | 12,212 |
| Communications | 3,928 | 2,051 | 1,618 | 3,669 | - | 7,597 |
| Advertising and Media (Cash) | 4,786 | 5,627 | 28 | 5,655 | - | 10,441 |
| Advertising and Media (In-Kind) | 225,934 | 199,660 | 49,705 | 249,365 | - | 475,299 |
| Repairs and Maintenance | 852 | 445 | 351 | 796 | - | 1,648 |
| Membership Dues | 1,411 | 1,462 | 582 | 2,044 | - | 3,455 |
| National Partnership Dues | 71,576 | 9,060 | 9,966 | 19,026 | - | 90,602 |
| Miscellaneous | 1,906 | 3,729 | 2,044 | 5,773 | - | 7,679 |
| Depreciation and Amortization | 7,248 | 3,785 | 2,986 | 6,771 | - | 14,019 |
| Special Event - Direct Donor Benefits | - | - | - | - | 480 | 480 |
| Total Expenses by Function | 1,039,569 | 388,996 | 223,864 | 612,860 | 480 | 1,652,909 |
| Less Expenses Netted Against Revenues on the Statement of Activities: | | | | | | |
| Special Event Expenses | - | - | - | - | (480) | (480) |
| Total Expenses Included in the Expense Section of the Statement of Activities | <u>\$ 1,039,569</u> | <u>\$ 388,996</u> | <u>\$ 223,864</u> | <u>\$ 612,860</u> | <u>\$ -</u> | <u>\$ 1,652,429</u> |

See accompanying Notes to Financial Statements.

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

| | 2021 | 2020 |
|---|--------------------------|--------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Change in Net Assets | \$ 648,569 | \$ 326,178 |
| Adjustments to Reconcile Change in Net Assets to Net Cash | | |
| Provided (Used) by Operating Activities: | | |
| Depreciation and Amortization | 3,743 | 14,019 |
| Forgiveness of Paycheck Protection Program Loan | (82,966) | - |
| Contributions Restricted for Long-Term Investment | (5,000) | (10,000) |
| Net Realized and Unrealized Gains on Investments | (618,979) | (449,756) |
| Contributed Inventory | (3,515) | (7,910) |
| (Increase) Decrease in Assets: | | |
| Contributions Receivable | 109,276 | (50,866) |
| Due from Related Entities | 4,957 | (25,319) |
| Prepaid Expenses | 72 | 59,598 |
| Other Assets | 357 | 389 |
| Increase (Decrease) in Liabilities: | | |
| Accounts Payable and Accrued Expenses | 25,273 | (27,796) |
| Due to Related Entities | (3,412) | 470 |
| Other Liabilities | (10,000) | 10,000 |
| Deferred Rent | (1,880) | (870) |
| Net Cash Provided (Used) by Operating Activities | <u>66,495</u> | <u>(161,863)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Purchases of Investments | (1,134,306) | (1,024,443) |
| Proceeds from Sales of Investments | 1,195,447 | 961,202 |
| Purchases of Property and Equipment | (975) | - |
| Net Cash Provided (Used) by Investing Activities | <u>60,166</u> | <u>(63,241)</u> |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Contributions Restricted for Long-Term Investment | 5,000 | 10,000 |
| Proceeds from Paycheck Protection Program Loan | 78,109 | 82,966 |
| Net Cash Provided by Financing Activities | <u>83,109</u> | <u>92,966</u> |
| NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS | 209,770 | (132,138) |
| Cash and Cash Equivalents - Beginning of Year | <u>121,938</u> | <u>254,076</u> |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u><u>\$ 331,708</u></u> | <u><u>\$ 121,938</u></u> |
| SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION | | |
| Contributed Inventory | <u><u>\$ 3,515</u></u> | <u><u>\$ 7,910</u></u> |

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of North Dakota (the Foundation) is a North Dakota 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 NORTH DAKOTA
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 \$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. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 5 years. 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 NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

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

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 restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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

Revenue Recognition

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

Special event revenue consists of registrations, sponsorships and other contributions. The exchange element of the special event revenue was approximately \$24,752 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 NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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. There was no conditional promises outstanding for the years ended August 31, 2021 and 2020.

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 included in the statements of activities as follows:

| | Programs | Fundraising | Management and General | Total |
|------------------------|-------------------|-------------------|---------------------------|-------------------|
| <u>August 31, 2021</u> | | | | |
| Wish Related | \$ 129,686 | \$ - | \$ - | \$ 129,686 |
| Rent | 509 | 341 | 230 | 1,080 |
| Advertising and Media | 78,523 | 107,969 | 58,892 | 245,384 |
| Other | 8,680 | 1,719 | 516 | 10,915 |
| Total | <u>\$ 217,398</u> | <u>\$ 110,029</u> | <u>\$ 59,638</u> | <u>387,065</u> |
| Special Events | | | | 1,500 |
| Inventory (Asset) | | | | 3,515 |
| Total | | | | <u>\$ 392,080</u> |
| <u>August 31, 2020</u> | | | | |
| Wish Related | \$ 112,231 | \$ - | \$ - | \$ 112,231 |
| Rent | 155 | 381 | 364 | 900 |
| Advertising and Media | 225,934 | 197,404 | 49,705 | 473,043 |
| Other | 7,734 | 17 | 149 | 7,900 |
| Total | <u>\$ 346,054</u> | <u>\$ 197,802</u> | <u>\$ 50,218</u> | <u>594,074</u> |
| Special Events | | | | 2,256 |
| Inventory (Asset) | | | | 7,910 |
| Total | | | | <u>\$ 604,240</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.

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.

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Donated advertising and media is reported as contribution revenue and wish granting, management and general and fundraising based on the nature of the advertising 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 North Dakota taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3). However, the Foundation remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

Management believes that no uncertain tax positions exist for the Foundation at August 31, 2021 and 2020. The Foundation files income tax returns in the U.S. federal jurisdiction and applicable state jurisdictions.

Functional Expenses

The Foundation performs three functions: wish granting, fundraising, and management and general. Definitions of these functions are as follows:

Wish Granting

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

Fundraising

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

Management and General

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

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

Deferred Rent

The Foundation accounts for rent expense evenly over the term of the lease using the straight-line method. Unamortized deferred rent was \$18,952 and \$20,832, respectively, at August 31, 2021 and 2020.

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Estimates

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

Change in Accounting Principle

In 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.

NOTE 3 LIQUIDITY AND AVAILABILITY

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

| | <u>2021</u> | <u>2020</u> |
|---|---------------------|---------------------|
| Total Financial Assets | \$ 6,237,144 | \$ 5,583,769 |
| Donor-Imposed Restrictions: | | |
| Restricted Funds | (299,625) | (314,089) |
| Endowments | <u>(604,576)</u> | <u>(524,253)</u> |
| Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year | <u>\$ 5,332,943</u> | <u>\$ 4,745,427</u> |

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 two 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.

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
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NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

As part of the Foundation's liquidity management plan, cash in excess of daily requirements are invested in short-term investments, CDs, and money market funds.

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.

Investments

Overall Investment Objective

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

Fair Value Hierarchy

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

| | 2021 | | | Assets Not Held at Fair Value | Total |
|-----------------------|---------------------|---------------------|-------------|-------------------------------------|---------------------|
| | Level 1 | Level 2 | Level 3 | | |
| Assets | | | | | |
| Investments: | | | | | |
| Mutual Funds | \$ 344,916 | \$ - | \$ - | \$ - | \$ 344,916 |
| Exchange-Traded Funds | 2,995,689 | - | - | - | 2,995,689 |
| Debt Securities | - | 2,092,416 | - | - | 2,092,416 |
| Total | 3,340,605 | 2,092,416 | - | - | 5,433,021 |
| Cash | - | - | - | 449,841 | 449,841 |
| Total Investments | <u>\$ 3,340,605</u> | <u>\$ 2,092,416</u> | <u>\$ -</u> | <u>\$ 449,841</u> | <u>\$ 5,882,862</u> |

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

| | 2020 | | | | Assets Not Held at Fair Value | Total |
|-----------------------|---------------------|---------------------|-------------|-------------------|-------------------------------------|---------------------|
| | Level 1 | Level 2 | Level 3 | | | |
| Assets | | | | | | |
| Investments: | | | | | | |
| Mutual Funds | \$ 281,681 | \$ - | \$ - | \$ - | \$ - | \$ 281,681 |
| Exchange-Traded Funds | 2,649,808 | - | - | - | - | 2,649,808 |
| Debt Securities | - | 1,970,834 | - | - | - | 1,970,834 |
| Total | 2,931,489 | 1,970,834 | - | - | - | 4,902,323 |
| Cash | - | - | - | 422,701 | - | 422,701 |
| Total Investments | <u>\$ 2,931,489</u> | <u>\$ 1,970,834</u> | <u>\$ -</u> | <u>\$ 422,701</u> | <u>\$ -</u> | <u>\$ 5,325,024</u> |

For the valuation of debt securities at August 31, 2021 and 2020, the Foundation used significant other observable inputs, particularly dealer market prices for comparable investments as of the valuation date (Level 2).

NOTE 5 CONTRIBUTIONS RECEIVABLE

The Foundation's contributions receivable as of August 31, 2021 and 2020 were \$-0- and \$109,276, respectively, which was due from one donor for the year ended August 31, 2020. All contributions receivable are due within the next 12 months. Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at August 31, 2021 and 2020.

NOTE 6 TRANSACTIONS WITH RELATED ENTITIES

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel, and training scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the years ended August 31, 2021 and 2020, the Foundation received \$133,828 and \$193,577, respectively, from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that Make-A-Wish Foundation® of America pays on behalf of the Foundation and for services provided by the National Organization. Amount totaling \$156,545 and \$136,691 were paid from the Foundation to the National Organization during the years ended August 31, 2021 and 2020, respectively.

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
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NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

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

| | 2021 | 2020 |
|---------------------------------|------------------|------------------|
| Due from National Organization | \$ 22,574 | \$ 27,531 |
| Total Due from Related Entities | <u>\$ 22,574</u> | <u>\$ 27,531</u> |
| Due to National Organization | \$ 488 | \$ 3,900 |
| Total Due to Related Entities | <u>\$ 488</u> | <u>\$ 3,900</u> |

Amounts due from the National Organization represent contributions remitted to the National Organization that are identified for the Foundation's use but were not yet transferred to the Foundation as of year-end. Amounts due from other chapters represent amounts paid in assisting other chapters with their wish granting. Amounts due to other chapters represent amounts owed to other chapters who have assisted in the granting of wishes for the Foundation. Amounts due to the National Organization generally represent unpaid chapter dues and services.

During the years ended August 31, 2021 and 2020, the Foundation received contributions, both cash and in-kind, from board members totaling \$12,373 and \$8,721, respectively.

NOTE 7 PROPERTY AND EQUIPMENT, NET

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

| | 2021 | 2020 |
|---|-----------------|-----------------|
| Computer Equipment and Software | \$ 23,661 | \$ 24,829 |
| Office Furniture and Equipment | 65,259 | 65,259 |
| Leasehold Improvements | 768 | 768 |
| Total | 89,688 | 90,856 |
| Less: Accumulated Depreciation and Amortization | (87,705) | (86,105) |
| Property and Equipment, Net | <u>\$ 1,983</u> | <u>\$ 4,751</u> |

Depreciation and amortization expense totaled \$3,743 and \$14,019, respectively, for the years ended August 31, 2021 and 2020.

NOTE 8 LEASES

The Foundation is obligated under one operating lease for its office space, which expires September 30, 2025. Total rent expense for the years ended August 31, 2021 and 2020 totaled \$68,369 and \$68,906, respectively.

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 LEASES (CONTINUED)

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

| <u>Year Ending August 31,</u> | <u>Amount</u> |
|-------------------------------|-------------------|
| 2022 | \$ 71,206 |
| 2023 | 72,245 |
| 2024 | 73,285 |
| 2025 | 74,324 |
| 2026 | 12,416 |
| Total Minimum Lease Payments | <u>\$ 303,476</u> |

NOTE 9 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: | | |
| Permanent Improvements | \$ 298,811 | \$ 313,275 |
| Medical Outreach and Capacity | 814 | 814 |
| Total | <u>299,625</u> | <u>314,089</u> |
| Endowments: | | |
| Subject to Endowment Spending Policy | | |
| and Appropriation: | | |
| Earnings on Endowment Funds | 215,398 | 140,075 |
| Original Donor-Restricted Gift Amount to be | | |
| Maintained in Perpetuity: | | |
| Endowment | <u>389,178</u> | <u>384,178</u> |
| Total | <u>604,576</u> | <u>524,253</u> |
| Total Donor-Restricted Net Assets | <u>\$ 904,201</u> | <u>\$ 838,342</u> |

NOTE 10 ENDOWMENTS

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

The Foundation's endowment consists of two donor-restricted endowment 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 are reflected as investments held for long-term purposes on the statements of financial position.

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the North Dakota 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:

- 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:

| | Without Donor Restrictions | With Donor Restrictions | Total |
|----------------------------------|-------------------------------|----------------------------|-------------------|
| <u>August 31, 2021</u> | | | |
| Donor-Restricted Endowment Funds | \$ - | \$ 604,576 | \$ 604,576 |
| Total Funds | <u>\$ -</u> | <u>\$ 604,576</u> | <u>\$ 604,576</u> |
| <u>August 31, 2020</u> | | | |
| Donor-Restricted Endowment Funds | \$ - | \$ 524,253 | \$ 524,253 |
| Total Funds | <u>\$ -</u> | <u>\$ 524,253</u> | <u>\$ 524,253</u> |

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 10 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

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

| | 2021 | | |
|---|-------------------------------|----------------------------|-------------------|
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Endowment Funds - Beginning of Year | \$ - | \$ 524,253 | \$ 524,253 |
| Investment Return: | | | |
| Investment Income | - | 5,424 | 5,424 |
| Net Appreciation (Realized and Unrealized) | - | 84,056 | 84,056 |
| Total Investment Return | - | 89,480 | 89,480 |
| Contributions | - | 5,000 | 5,000 |
| Appropriation of Endowment Asset for Expenditure | - | (14,157) | (14,157) |
| Endowment Funds - End of Year | <u>\$ -</u> | <u>\$ 604,576</u> | <u>\$ 604,576</u> |
| | | | |
| | 2020 | | |
| | Without Donor Restrictions | With Donor Restrictions | Total |
| Endowment Funds - Beginning of Year | \$ - | \$ 466,567 | \$ 466,567 |
| Investment Return: | | | |
| Investment Income | - | 8,211 | 8,211 |
| Net Appreciation (Realized and Unrealized) | - | 51,861 | 51,861 |
| Total Investment Return | - | 60,072 | 60,072 |
| Contributions | - | 10,000 | 10,000 |
| Appropriation of Endowment Asset for Expenditure | - | (12,386) | (12,386) |
| Endowment Funds - End of Year | <u>\$ -</u> | <u>\$ 524,253</u> | <u>\$ 524,253</u> |

Fund Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There are no fund deficiencies as of August 31, 2021 and 2020.

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 10 ENDOWMENTS (CONTINUED)

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment fund(s) 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. 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 3% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year any earnings over the permanently restricted amount over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 3% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

NOTE 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 matches employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2021 and 2020 were \$11,923 and \$11,997, respectively.

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
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NOTE 12 CONCENTRATION 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.

Contributions totaling \$384,141 and \$483,466, respectively, were received from two donors for the years ended August 31, 2021 and 2020, which represents 28% and 34% total public support and gross internal special event revenue. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 13 LITIGATION AND CLAIMS

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

NOTE 14 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the fiscal years ended August 31, 2021 and 2020, the Foundation granted 33 wishes. As of August 31, 2021 and 2020, respectively, there were approximately 57 and 53 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2021 was \$6,300 in cash and \$3,767 in in-kind for a total cost of \$10,067. The average cost of a wish for the year ended August 31, 2020 was \$7,456 in cash and \$6,321 in in-kind for a total cost of \$13,777.

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 75% of wishes granted and the number of granted wishes averaged approximately 34. The number of wishes granted during the years ended August 31, 2021 and 2020 was 33.

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
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NOTE 15 RISKS AND UNCERTAINTIES (CONTINUED)

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 a \$82,966 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 23, 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 \$82,966 on January 27, 2021.

Under the second round of Paycheck Protection Program funding, the Foundation applied for and was approved for an additional \$78,109 loan. The loan was received on March 18, 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.

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

NOTE 17 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through January 18, 2022, the date at which the financial statements were available to be issued.

