

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



WEALTH ADVISORY | OUTSOURCING
AUDIT, TAX, AND CONSULTING

[CLAconnect.com](https://www.CLAconnect.com)

**MAKE-A-WISH FOUNDATION® OF SOUTHERN NEVADA
TABLE OF CONTENTS
YEARS ENDED AUGUST 31, 2021 AND 2020**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9



INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Southern Nevada
Las Vegas, Nevada

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Southern Nevada which comprise the statements of financial position as of August 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Board of Directors
Make-A-Wish Foundation® of Southern Nevada

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 Southern Nevada as of August 31, 2021 and 2020, and change in its net assets and its cash flows for the years ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
February 24, 2022

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

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 427,572	\$ 713,575
Investments	4,423,830	3,133,054
Due from Related Entities	116,208	25,497
Prepaid Expenses	100,146	132,240
Contributions Receivable, Net	43,011	-
In-Kind Rent Receivable, Net of Discount	43,630	192,232
Accounts Receivable	-	7,120
Other Assets	15,383	8,635
Property and Equipment, Net	34,170	58,034
	\$ 5,203,950	\$ 4,270,387
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 315,293	\$ 158,839
Due to Related Entities	2,793	1,351
Capital Lease Obligations	8,568	12,049
Paycheck Protection Program	-	200,000
Total Liabilities	326,654	372,239
NET ASSETS		
Without Donor Restrictions	4,788,342	3,700,701
With Donor Restrictions	88,954	197,447
Total Net Assets	4,877,296	3,898,148
Total Liabilities and Net Assets	\$ 5,203,950	\$ 4,270,387

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTHERN NEVADA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions	\$ 1,701,482	\$ 45,323	\$ 1,746,805
Grants	385,621	-	385,621
Total Public Support	2,087,103	45,323	2,132,426
Internal Special Events	604,589	-	604,589
Less: Costs of Direct Benefits to Donors	(12,328)	-	(12,328)
Total Internal Special Events	592,261	-	592,261
Investment Income, Net	665,909	-	665,909
Forgiveness of Paycheck Protection Program Loan	433,888	-	433,888
Other Income	850	-	850
Net Assets Released from Restrictions	153,816	(153,816)	-
	3,933,827	(108,493)	3,825,334
EXPENSES			
Program Services:			
Wish Granting	1,834,422	-	1,834,422
Total Program Services	1,834,422	-	1,834,422
Support Services:			
Fundraising	498,708	-	498,708
Management and General	512,148	-	512,148
Total Support Services	1,010,856	-	1,010,856
Total Expenses	2,845,278	-	2,845,278
OTHER LOSSES			
Loss on Disposal of Property and Equipment	(908)	-	(908)
CHANGE IN NET ASSETS	1,087,641	(108,493)	979,148
Net Assets - Beginning of Year	3,700,701	197,447	3,898,148
NET ASSETS - END OF YEAR	\$ 4,788,342	\$ 88,954	\$ 4,877,296

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTHERN NEVADA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions	\$ 1,889,604	\$ -	\$ 1,889,604
Grants	298,376	-	298,376
Total Public Support	2,187,980	-	2,187,980
Internal Special Events	1,373,116	-	1,373,116
Less: Costs of Direct Benefits to Donors	(267,558)	-	(267,558)
Total Internal Special Events	1,105,558	-	1,105,558
Investment Income, Net	268,357	-	268,357
Other Income	4,050	-	4,050
Net Assets Released from Restrictions	242,764	(242,764)	-
	242,764	(242,764)	-
Total Revenues, Gains, and Other Support	3,808,709	(242,764)	3,565,945
EXPENSES			
Program Services:			
Wish Granting	2,089,710	-	2,089,710
Total Program Services	2,089,710	-	2,089,710
Support Services:			
Fundraising	625,913	-	625,913
Management and General	520,160	-	520,160
Total Support Services	1,146,073	-	1,146,073
Total Expenses	3,235,783	-	3,235,783
CHANGE IN NET ASSETS	572,926	(242,764)	330,162
Net Assets - Beginning of Year	3,127,775	440,211	3,567,986
NET ASSETS - END OF YEAR	\$ 3,700,701	\$ 197,447	\$ 3,898,148

See accompanying Notes to Financial Statements.

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

	Program Services	Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services		
Direct Costs of Wishes	\$ 574,225	\$ -	\$ -	\$ -	\$ -	\$ 574,225
Salaries, Taxes, and Benefits	895,168	291,888	288,098	579,986	-	1,475,154
Printing, Subscriptions, and Publications	27,250	22,312	8,030	30,342	-	57,592
Professional Fees	5,176	14,295	107,087	121,382	-	126,558
Rent and Utilities	85,457	37,360	28,918	66,278	-	151,735
Postage and Delivery	3,619	2,842	692	3,534	-	7,153
Travel	-	-	10	10	-	10
Meetings and Conferences	700	1,234	5,452	6,686	-	7,386
Office Supplies	7,928	2,073	1,512	3,585	-	11,513
Communications	7,668	3,699	2,371	6,070	-	13,738
Advertising and Media (Cash)	-	3,874	-	3,874	-	3,874
Advertising and Media (In-Kind)	-	49,464	-	49,464	-	49,464
Membership Dues	225	524	904	1,428	-	1,653
National Partnership Dues	187,642	33,880	39,092	72,972	-	260,614
Miscellaneous	20,450	26,995	23,689	50,684	-	71,134
Depreciation and Amortization	18,914	8,268	6,293	14,561	-	33,475
Special Event - Direct Donor Benefits	-	-	-	-	12,328	12,328
Total	1,834,422	498,708	512,148	1,010,856	12,328	2,857,606
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(12,328)	(12,328)
 Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 1,834,422</u>	<u>\$ 498,708</u>	<u>\$ 512,148</u>	<u>\$ 1,010,856</u>	<u>\$ -</u>	<u>\$ 2,845,278</u>

See accompanying Notes to Financial Statements.

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

	Program Services	Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services		
Direct Costs of Wishes	\$ 889,835	\$ -	\$ -	\$ -	\$ -	\$ 889,835
Salaries, Taxes, and Benefits	856,114	295,607	301,490	597,097	-	1,453,211
Printing, Subscriptions, and Publications	3,080	11,488	1,107	12,595	-	15,675
Professional Fees	29,552	48,964	84,565	133,529	-	163,081
Rent and Utilities	89,377	30,804	31,973	62,777	-	152,154
Postage and Delivery	3,730	2,173	612	2,785	-	6,515
Travel	1,268	2,453	6,190	8,643	-	9,911
Meetings and Conferences	3,295	11,634	9,996	21,630	-	24,925
Office Supplies	13,119	5,137	2,866	8,003	-	21,122
Communications	7,476	3,025	2,532	5,557	-	13,033
Advertising and Media (Cash)	-	7,425	-	7,425	-	7,425
Advertising and Media (In-Kind)	-	111,602	-	111,602	-	111,602
Membership Dues	-	-	1,398	1,398	-	1,398
National Partnership Dues	145,991	50,316	51,555	101,871	-	247,862
Miscellaneous	20,837	36,321	16,677	52,998	-	73,835
Depreciation and Amortization	26,036	8,964	9,199	18,163	-	44,199
Special Event - Direct Donor Benefits	-	-	-	-	267,558	267,558
Total	<u>2,089,710</u>	<u>625,913</u>	<u>520,160</u>	<u>1,146,073</u>	<u>267,558</u>	<u>3,503,341</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(267,558)	(267,558)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 2,089,710</u>	<u>\$ 625,913</u>	<u>\$ 520,160</u>	<u>\$ 1,146,073</u>	<u>\$ -</u>	<u>\$ 3,235,783</u>

See accompanying Notes to Financial Statements.

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

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 979,148	\$ 330,162
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	33,475	44,199
Forgiveness of Paycheck Protection Program Loan	(433,888)	-
Loss on Sale of Property and Equipment	908	-
Net Realized and Unrealized Losses on Investments	(612,385)	(225,860)
Contributed Property and Equipment and Other Assets	(16,097)	(1,604)
Change in In-Kind Rent Receivable	151,099	147,579
Change in Discount of Present Value of Contributions Receivable	(2,497)	(5,725)
(Increase) Decrease in Assets:		
Contributions Receivable	(43,011)	96,365
Accounts Receivable	7,120	11,289
Due from Related Entities	(90,711)	40,344
Prepaid Expenses	32,094	(42,405)
Other Assets	2,664	(3,409)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	156,454	(112,282)
Due to Related Entities	1,442	(11,314)
Net Cash Provided by Operating Activities	165,815	267,339
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(1,014,183)	(55,872)
Proceeds from Sales of Investments	335,792	16,367
Purchases of Property and Equipment	(3,834)	(10,188)
Net Cash Used by Investing Activities	(682,225)	(49,693)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Lease Obligations	(3,481)	(3,215)
Proceeds from Paycheck Protection Program	233,888	200,000
Net Cash Provided by Financing Activities	230,407	196,785
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(286,003)	414,431
Cash and Cash Equivalents - Beginning of Year	713,575	299,144
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 427,572	\$ 713,575
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid for Interest	\$ 2,819	\$ 1,105
Contributed Property and Equipment and Other Assets	\$ 16,097	\$ 1,604

See accompanying Notes to Financial Statements.

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

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Southern Nevada (the Foundation) is a Nevada 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 SOUTHERN NEVADA
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. 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 5 years. Leasehold improvements are amortized over the shorter of the estimated useful lives of the assets 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 SOUTHERN NEVADA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restriction when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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

Revenue Recognition

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

Special event revenue consists of registrations, sponsorships and other contributions. The exchange element of the special event revenue was approximately \$22,000 for the year ended August 31, 2021. The portion that is considered to be exchange revenue is recognized as revenue when the performance obligations are met which is the occurrence of the event.

Unconditional promises to give are recognized initially at fair value as contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. Amortization of the discounts is recorded as additional contributions revenue.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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

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

	<u>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
<u>August 31, 2021</u>				
Wish Related	\$ 200,756	\$ -	\$ -	\$ 200,756
Professional Services	38	-	-	38
Rent	85,416	37,341	28,679	151,436
Advertising and Media	-	49,464	-	49,464
Other	10,317	6,678	9,361	26,356
Total	<u>\$ 296,527</u>	<u>\$ 93,483</u>	<u>\$ 38,040</u>	428,050
Special Events				4,648
Contribution Receivable, Net Change				(108,087)
Other Assets, Net Change				9,412
Property and Equipment (Capitalized)				6,685
Total				<u>\$ 340,708</u>
<u>August 31, 2020</u>				
Wish Related	\$ 366,950	\$ -	\$ -	\$ 366,950
Professional Services	9,869	2,286	7,040	19,195
Rent	2,303	1,287	570	4,160
Advertising and Media	-	111,602	-	111,602
Other	1,415	4,506	7,130	13,051
Total	<u>\$ 380,537</u>	<u>\$ 119,681</u>	<u>\$ 14,740</u>	514,958
Special Events				222,521
In-Kind Rent Receivable				5,719
Property and Equipment (Capitalized)				1,604
Total				<u>\$ 744,802</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 SOUTHERN NEVADA
NOTES TO FINANCIAL STATEMENTS
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 Nevada taxes under the provisions of Internal Revenue Code Section 501(c)(3) and the Nevada Revised Statutes. 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 specific programs or fundraising activities, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment, and other expenses.

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

MAKE-A-WISH FOUNDATION® OF SOUTHERN NEVADA
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	\$ 5,010,621	\$ 3,879,246
Donor-Imposed Restrictions:		
Restricted Funds	<u>(45,324)</u>	<u>(197,447)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 4,965,297</u>	<u>\$ 3,681,799</u>

Financial assets include cash and cash equivalents, investments, due from related entities, contributions receivable, and investments held for long-term purposes. For purposes of analyzing resources available to meet general expenditures over one year, the Foundation considers all expenditures related to its ongoing program activities, as well as the functions in support of those activities, to be general expenditures.

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

NOTE 4 FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair values of the financial instruments shown in the following tables 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.

Fair Value Hierarchy

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

	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Assets Not Held at Fair Value</u>	<u>Total</u>
<u>August 31, 2021</u>					
Investments:					
Mutual Funds	\$ 2,201,103	\$ -	\$ -	\$ -	\$ 2,201,103
Exchange-Traded Funds	1,923,142	-	-	-	1,923,142
Cash	-	-	-	299,585	299,585
Total Investments	<u>\$ 4,124,245</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 299,585</u>	<u>\$ 4,423,830</u>

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

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

	<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level 3)</u>	<u>Assets Not Held at Fair Value</u>	<u>Total</u>
<u>August 31, 2020</u>					
Assets:					
Investments:					
Exchange-Traded Funds	\$ 696,197	\$ -	\$ -	\$ -	\$ 696,197
Equity Securities	2,306,580	-	-	-	2,306,580
Cash	-	-	-	130,277	130,277
Total Investments	<u>\$ 3,002,777</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 130,277</u>	<u>\$ 3,133,054</u>

NOTE 5 CONTRIBUTIONS AND IN-KIND RENT RECEIVABLE

The Foundation received an unconditional promise to give on January 31, 2017 for in-kind rent with an estimated fair market value of \$725,487. This unconditional promise to give was recorded at present value of the estimated fair value of the rents using a discount rate of 2.1%.

The following is a summary of the Foundation's contributions and in-kind rent receivable August 31:

	<u>Contribution Receivable</u>	<u>In-Kind Rent Receivable</u>	<u>Totals</u>
<u>August 31, 2021</u>			
Total Amounts Due in:			
One Year	\$ 43,011	\$ 43,763	\$ 86,774
Gross Contributions Receivable	43,011	43,763	86,774
Less: Discount to Present Value	-	(133)	(133)
Contributions Receivable, Net	<u>\$ 43,011</u>	<u>\$ 43,630</u>	<u>\$ 86,641</u>
<u>August 31, 2020</u>			
Total Amounts Due in:			
One Year	\$ -	\$ 151,098	\$ 151,098
Two to Five Years	-	43,758	43,758
Gross Contributions Receivable	-	194,856	194,856
Less: Discount to Present Value	-	(2,624)	(2,624)
Contributions Receivable, Net	<u>\$ -</u>	<u>\$ 192,232</u>	<u>\$ 192,232</u>

The Foundation's contributions and in-kind rent receivable as of August 31, 2021 and 2020 were \$86,641 and \$192,232, respectively, which are due from two donors and one donor, respectively.

MAKE-A-WISH FOUNDATION® OF SOUTHERN NEVADA
NOTES TO FINANCIAL STATEMENTS
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, respectively, the Foundation received \$507,631 and \$566,662 from these national revenue streams.

As part of the National Organization's Wish Fulfillment fund, chapters may apply for funds that have been donated by other chapters to underwrite the cost of wishes. Under this program, the Foundation received \$4,751 during the year ended August 31, 2020.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amounts totaling \$303,687 and \$258,737 were paid from the Foundation to the National Organization during the years ended August 31, 2021 and 2020, respectively.

Chapters who assist with the organization and granting of wishes from other chapters are paid a "fee for service" called the wish assist fee. Under this program, the originating chapter agrees to pay a fee to the chapter of the wish destination to assist with any planning, booking and facilitating of the wish for the home chapter. Under this program, the Foundation received \$850 and \$4,050, respectively, for the years ended August 31, 2021 and 2020, which is recorded in the accompanying statements of activities as other income.

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

	2021	2020
Due from National Organization	\$ 116,155	\$ 25,497
Due from Other Chapters	53	-
Total Due from Related Entities	<u>\$ 116,208</u>	<u>\$ 25,497</u>
Due to National Organization	\$ 87	-
Due to Other Chapters	2,706	1,351
Total Due to Related Entities	<u>\$ 2,793</u>	<u>\$ 1,351</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 \$35,426 and \$461,313, respectively.

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

NOTE 7 PROPERTY AND EQUIPMENT, NET

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

	2021	2020
Computer Equipment and Software	\$ 88,437	\$ 90,679
Office Furniture and Other Equipment	136,091	134,650
Total	<u>224,528</u>	<u>225,329</u>
Less: Accumulated Depreciation and Amortization	(190,358)	(167,295)
Property and Equipment, Net	<u>\$ 34,170</u>	<u>\$ 58,034</u>

Depreciation and amortization expense totaled \$33,475 and \$44,199 respectively for the years ended August 31, 2021 and 2020.

NOTE 8 LINE OF CREDIT

The Foundation has a secured line of credit with a financial institution totaling \$850,000, bearing interest at the London Interbank Offered Rate (LIBOR) daily floating rate plus 2.375% and is payable immediately upon demand by the bank. The line of credit is secured by all investments of the Foundation and has no stated expiration date. There was no outstanding balance on this line of credit as of August 31, 2021 and 2020.

NOTE 9 LEASES

The Foundation is obligated under an operating lease for office space and a capital lease for equipment.

The operating lease is for donated in-kind rent with a payment of \$1 for each year. The lease expires on December 15, 2021. Total in-kind rent expense for the lease for the years ended August 31, 2021 and 2020 totaled \$151,099 and \$147,579 respectively. Subsequent to year-end, the lease was renewed and will expire on December 15, 2026.

As of August 31, 2021 and 2020, the cost of leased property and equipment under the capital lease was \$17,755 and accumulated depreciation was \$10,357 and \$6,806, respectively. The capital lease expires on October 1, 2023.

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

<u>Year Ending August 31,</u>	<u>Capital Lease</u>
2022	\$ 4,320
2023	4,320
2024	<u>720</u>
Total Minimum Lease Payments	9,360
Less Amounts Representing Interest	<u>(792)</u>
Present Value of Net Minimum Lease Payments	<u>\$ 8,568</u>

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

NOTE 10 NET ASSETS

Net Assets With Donor Restrictions

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

	2021	2020
Subject to Expenditure for Specified Purpose:		
Wish Granting	\$ 45,324	\$ 5,215
In-Kind Rent	43,630	192,232
Total	88,954	197,447
Total Donor Restricted Net Assets	\$ 88,954	\$ 197,447

NOTE 11 RETIREMENT PLAN

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of three months of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain Internal Revenue Code limitations. The Foundation matches 100% of employee contributions up to the first 3% of compensation and 50% of the next 2% of compensation. Foundation contributions to the Plan for the years ended August 31, 2021 and 2020 were \$37,581 and \$42,029, respectively.

NOTE 12 CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash, cash equivalents, and investments. The Foundation places its cash and investments with high credit quality financial institutions and generally limits the amount of credit exposure not to exceed the Federal Deposit Insurance Corporation (FDIC) insurance coverage limit of \$250,000. From time to time throughout the year, the Foundation's cash balances may exceed the amount of the FDIC insurance coverage.

NOTE 13 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 88 and 95 wishes, respectively. As of August 31, 2021 and 2020, respectively, there were approximately 230 and 270 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2021 was \$4,103 in cash and \$2,487 in in-kind for a total cost of \$6,590. The average cost of a wish for the year ended August 31, 2020 was \$4,801 in cash and \$4,639 in in-kind for a total cost of \$9,440.

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

NOTE 14 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 71% of wishes granted and the number of granted wishes averaged approximately 139. The number of wishes granted during the years ended August 31, 2021 and 2020 was 88 and 95, 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 15 PAYCHECK PROTECTION PROGRAM

The Foundation applied for and was approved for a \$200,000 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 15, 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 \$200,000 on November 13, 2020.

Under the second round of Paycheck Protection Program funding, the Foundation applied for and was approved for an additional \$233,888 loan. The loan was received on January 26, 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 Foundation received forgiveness of \$233,888 on June 15, 2021.

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.

**MAKE-A-WISH FOUNDATION® OF SOUTHERN NEVADA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020**

NOTE 16 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through February 24, 2022, the date at which the financial statements were available to be issued.