

**MAKE-A-WISH FOUNDATION®
OF MISSOURI AND KANSAS**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2022 AND 2021



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**MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Missouri and Kansas
Ballwin, Missouri

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Missouri and Kansas (a nonprofit organization), which comprise the statements of financial position as of August 31, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Make-A-Wish Foundation® of Missouri and Kansas as of August 31, 2022 and 2021, and the changes 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Make-A-Wish Foundation® of Missouri and Kansas and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Make-A-Wish Foundation® of Missouri and Kansas' ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Make-A-Wish Foundation® of Missouri and Kansas' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Make-A-Wish Foundation® of Missouri and Kansas' ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.



CliftonLarsonAllen LLP

Phoenix, Arizona
May 4, 2023

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash and Cash Equivalents	\$ 732,195	\$ 1,795,041
Investments	2,875,099	2,861,626
Due from Related Entities	160,675	103,119
Prepaid Expenses	468,028	241,171
Contributions Receivable, Net	1,081,766	593,658
Other Assets	28,562	18,302
Investments Held for Long-Term Purposes	678,767	556,450
Property and Equipment, Net	25,077	39,332
Beneficial Interest in Assets Held by Others	634,383	797,778
	\$ 6,684,552	\$ 7,006,477
Total Assets		
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 462,649	\$ 432,775
Due to Related Entities	111,382	14,391
Deferred Rent	8,601	9,905
Capital Lease Obligation	8,886	13,940
Paycheck Protection Program	-	406,682
Total Liabilities	591,518	877,693
NET ASSETS		
Without Donor Restrictions	3,729,118	4,148,977
With Donor Restrictions	2,363,916	1,979,807
Total Net Assets	6,093,034	6,128,784
Total Liabilities and Net Assets	\$ 6,684,552	\$ 7,006,477

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 3,078,934	\$ 25,000	\$ 3,103,934
Contributions, Donated Goods and Services	1,198,845	834,912	2,033,757
Grants	27,689	-	27,689
Total Public Support	4,305,468	859,912	5,165,380
Internal Special Events, Cash	2,082,658	-	2,082,658
Less: Costs of Direct Benefits to Donors	(281,846)	-	(281,846)
Total Internal Special Events	1,800,812	-	1,800,812
Investment Income, Net	(408,109)	(126,273)	(534,382)
Forgiveness of Paycheck Protection Program Loan	406,682	-	406,682
Other Income, Net	1,875	-	1,875
Change in Beneficial Interest in Assets Held by Others	-	(163,396)	(163,396)
Net Assets Released from Restrictions	186,134	(186,134)	-
Total Revenues, Gains, and Other Support	6,292,862	384,109	6,676,971
EXPENSES			
Program Services:			
Wish Granting	4,682,444	-	4,682,444
Support Services:			
Fundraising	1,294,932	-	1,294,932
Management and General	735,345	-	735,345
Total Support Services	2,030,277	-	2,030,277
Total Expenses	6,712,721	-	6,712,721
CHANGE IN NET ASSETS	(419,859)	384,109	(35,750)
Net Assets - Beginning of Year	4,148,977	1,979,807	6,128,784
NET ASSETS - END OF YEAR	\$ 3,729,118	\$ 2,363,916	\$ 6,093,034

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 3,004,432	\$ 701,275	\$ 3,705,707
Contributions, Donated Goods and Services	277,018	20,382	297,400
Grants	92,130	-	92,130
Total Public Support	3,373,580	721,657	4,095,237
Internal Special Events, Cash	1,647,638	-	1,647,638
Internal Special Events, Donated Goods and Services	3,269	-	3,269
Less: Costs of Direct Benefits to Donors	(220,243)	-	(220,243)
Total Internal Special Events	1,430,664	-	1,430,664
Investment Income, Net	386,467	81,197	467,664
Forgiveness of Paycheck Protection Program Loan	357,200	-	357,200
Other Income, Net	2,356	-	2,356
Change in Beneficial Interest in Assets Held by Others	-	121,268	121,268
Net Assets Released from Restrictions	88,825	(88,825)	-
Total Revenues, Gains, and Other Support	5,639,092	835,297	6,474,389
EXPENSES			
Program Services:			
Wish Granting	2,665,455	-	2,665,455
Support Services:			
Fundraising	1,154,053	-	1,154,053
Management and General	723,505	-	723,505
Total Support Services	1,877,558	-	1,877,558
Total Expenses	4,543,013	-	4,543,013
CHANGE IN NET ASSETS	1,096,079	835,297	1,931,376
Net Assets - Beginning of Year	3,052,898	1,144,510	4,197,408
NET ASSETS - END OF YEAR	\$ 4,148,977	\$ 1,979,807	\$ 6,128,784

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2022

	Program Services	Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services		
Direct Costs of Wishes	\$ 3,423,660	\$ -	\$ -	\$ -	\$ -	\$ 3,423,660
Salaries, Taxes, and Benefits	801,009	813,427	455,354	1,268,781	-	2,069,790
Printing, Subscriptions, and Publications	8,011	23,575	1,027	24,602	-	32,613
Professional Fees	9,515	144,525	134,791	279,316	-	288,831
Rent and Utilities	24,773	26,334	14,083	40,417	-	65,190
Postage and Delivery	13,394	3,108	655	3,763	-	17,157
Travel	3,496	30,794	5,012	35,806	-	39,302
Meetings and Conferences	6,614	48,863	21,605	70,468	-	77,082
Office Supplies	17,747	5,734	447	6,181	-	23,928
Communications	11,357	11,512	6,433	17,945	-	29,302
Advertising and Media (Cash)	438	4,643	-	4,643	-	5,081
Advertising and Media (In-Kind)	-	41,000	-	41,000	-	41,000
Repairs and Maintenance	697	708	395	1,103	-	1,800
Membership Dues	888	3,159	504	3,663	-	4,551
National Partnership Dues	332,805	60,090	69,335	129,425	-	462,230
Miscellaneous	20,720	70,026	21,542	91,568	-	112,288
Depreciation and Amortization	7,320	7,434	4,162	11,596	-	18,916
Special Event - Direct Donor Benefits	-	-	-	-	281,846	281,846
Total	4,682,444	1,294,932	735,345	2,030,277	281,846	6,994,567
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(281,846)	(281,846)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 4,682,444	\$ 1,294,932	\$ 735,345	\$ 2,030,277	\$ -	\$ 6,712,721

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
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	\$ 1,460,265	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,460,265
Salaries, Taxes, and Benefits	810,595	824,773	462,454	1,287,227	-	-	2,097,822
Printing, Subscriptions, and Publications	8,408	16,244	996	17,240	-	-	25,648
Professional Fees	19,040	58,123	136,544	194,667	-	-	213,707
Rent and Utilities	24,224	25,782	13,812	39,594	-	-	63,818
Postage and Delivery	10,012	3,650	575	4,225	-	-	14,237
Travel	5,740	24,701	681	25,382	-	-	31,122
Meetings and Conferences	10,757	18,110	28,055	46,165	-	-	56,922
Office Supplies	1,347	2,527	461	2,988	-	-	4,335
Communications	10,842	11,401	6,170	17,571	-	-	28,413
Advertising and Media (Cash)	129	6,856	-	6,856	-	-	6,985
Advertising and Media (In-Kind)	-	57,770	-	57,770	-	-	57,770
Repairs and Maintenance	2,503	2,548	1,427	3,975	-	-	6,478
Membership Dues	693	705	395	1,100	-	-	1,793
National Partnership Dues	279,894	50,536	58,312	108,848	-	-	388,742
Miscellaneous	16,523	45,764	11,066	56,830	-	-	73,353
Depreciation and Amortization	4,483	4,563	2,557	7,120	-	-	11,603
Special Event - Direct Donor Benefits	-	-	-	-	220,243	-	220,243
Total	<u>2,665,455</u>	<u>1,154,053</u>	<u>723,505</u>	<u>1,877,558</u>	<u>220,243</u>		<u>4,763,256</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:							
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(220,243)</u>		<u>(220,243)</u>
 Total Expenses Include in the Expense Section of the Statement of Activities	<u>\$ 2,665,455</u>	<u>\$ 1,154,053</u>	<u>\$ 723,505</u>	<u>\$ 1,877,558</u>	<u>\$ -</u>		<u>\$ 4,543,013</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (35,750)	\$ 1,931,376
Adjustments to reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	18,916	11,603
Forgiveness of Paycheck Protection Program Loan	(406,682)	(357,200)
Contributions Restricted for Long-Term Investment	-	(500,000)
Net Realized and Unrealized Losses (Gains) on Investments	566,074	(440,984)
Contributed Property and Equipment and Other Assets	-	(3,769)
Change in Beneficial Interest in Assets Held by Others	163,395	(121,268)
Change in Discount to Present Value of Contributions Receivable	(896)	(5,361)
(Increase) Decrease in Assets:		
Contributions Receivable	(737,212)	(30,482)
Due from Related Entities	(57,556)	(41,118)
Prepaid Expenses	(226,857)	(47,032)
Other Assets	(10,260)	(950)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	29,874	131,184
Due to Related Entities	96,991	(3,363)
Deferred Rent	(1,304)	(389)
Net Cash Provided (Used) by Operating Activities	(601,267)	522,247
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(1,698,062)	(2,310,368)
Proceeds from Sales of Investments	996,198	1,818,647
Purchases of Property and Equipment	(4,661)	(20,568)
Transfer out of Beneficial Interest in Assets Held by Others	-	179,542
Net Cash Used by Investing Activities	(706,525)	(332,747)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Lease Obligations	(5,054)	(1,941)
Proceeds from Paycheck Protection Program	-	406,682
Cash Collected on Contributions Restricted for Long-Term Investment	250,000	250,000
Net Cash Provided by Financing Activities	244,946	654,741
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(1,062,846)	844,241
Cash and Cash Equivalents - Beginning of Year	1,795,041	950,800
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 732,195	\$ 1,795,041
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid For Interest	\$ 466	\$ 2,042
Contributed Property and Other Assets	\$ -	\$ 3,769
Property and Equipment Acquired through Capital Lease	\$ -	\$ 15,581

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Missouri and Kansas (the Foundation) is a Missouri nonprofit corporation, organized for the purpose of creating life changing wishes for children with critical illnesses. The Foundation is an independently operating chapter of Make-A-Wish Foundation® of America (National Organization), which develops and implements national programs in public relations and fundraising for the benefit of all local chapters. To be a Make-A-Wish chapter, the local chapter is obligated to comply with a chapter agreement entered into 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 (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 MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

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 10 years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the leases. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

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

Fair Value Measurements

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

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

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

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

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

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

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 \$282,000 and \$220,000 for the years ended August 31, 2022 and 2021, respectively. 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 MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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

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

	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
<u>August 31, 2022</u>				
Wish Related	\$ 1,149,124	\$ -	\$ -	\$ 1,149,124
Professional Services	-	700	1,600	2,300
Advertising and Media	-	41,000	-	41,000
Other	1,979	22,959	1,865	26,803
Total	<u>\$ 1,151,103</u>	<u>\$ 64,659</u>	<u>\$ 3,465</u>	1,219,227
In-Kind Receivable (Asset), Net Change				814,530
Total				<u>\$ 2,033,757</u>
	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
<u>August 31, 2021</u>				
Wish Related	\$ 179,299	\$ -	\$ -	\$ 179,299
Professional Services	773	787	841	2,401
Advertising and Media	-	57,770	-	57,770
Other	6,657	6,525	20,597	33,779
Total	<u>\$ 186,729</u>	<u>\$ 65,082</u>	<u>\$ 21,438</u>	273,249
Special Events				3,269
Other Assets, Net Change				3,119
Property and Equipment (Capitalized)				650
In-Kind Receivable (Asset), Net Change				20,382
Total				<u>\$ 300,669</u>

Wish related in-kinds consist of donated travel, goods and other services used in the delivery of wishes. The Foundation estimates the fair value of wish related in-kinds on the basis of estimates of the current market rates for similar travel, goods and other services in the Foundation's market. Professional services are valued and reported at the estimated fair value based on current rates for similar services.

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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. The Foundation estimates the fair value of these donated items based on the current market rates for similar items in the Foundation's market. The Foundation receives auction items to be sold at its special events. Contributed auction items are valued at the gross selling price received and the value is included in internal special event revenue on the statement of activities. The amount of auction items received and sold during the years ended August 31, 2022 and 2021 totaled \$59,365 and \$112,773, respectively.

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

Donated advertising and media is reported as contribution revenue and fundraising or public information 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.

In-kind contributions related to wish granting are restricted to be used in granting wishes. In-kind contributions related to special events are restricted for use at those events. No other in-kind contributions were received with donor restrictions.

Income Taxes

The Foundation is a nonprofit organization exempt from federal income taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3) and Section 144.0302(20) of the Revised Statutes of Missouri. 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, 2022 and 2021. The Foundation files income tax returns in the U.S. federal jurisdiction and applicable state jurisdictions.

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 the 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 record keeping, 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. The unamortized deferred rent included within other liabilities was \$8,601 and \$9,905 at August 31, 2022 and 2021, respectively.

Management Estimates

The preparation of financial statements in conformity with 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.

Adoption of Accounting Pronouncement

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This standard requires that contributed nonfinancial assets are reported on a separate line item in the statements of activities, apart from contributions of cash and other financial assets. It also requires disclosure of disaggregated amounts of contributed nonfinancial assets by category that depicts the type of contributed nonfinancial assets along with additional qualitative information about the monetization of such assets, donor restrictions and valuation techniques. The adoption of this standard did not have any significant impact on the accompanying financial statements or disclosures.

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Pronouncement Not Yet Effective

In February 2016, FASB issued ASU 2016-02, *Leases*. This accounting standard requires organizations that lease assets to recognize a right-of-use asset and a lease liability, initially measured at the present value of the lease payments, in its statement of financial position. This accounting standard will also require additional disclosures about the amount, timing and uncertainty of cash flows arising from leases. This accounting standard is effective for the Foundation as of fiscal year 2023. Management is currently evaluating the impact of adopting this accounting standard.

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.

	2022	2021
Total Financial Assets	\$ 5,528,502	\$ 5,909,894
Donor Imposed Restrictions:		
Restricted Funds for Time and Purpose	(1,050,766)	(375,579)
Endowments	(678,767)	(806,450)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 3,798,969	\$ 4,727,865

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

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

NOTE 4 FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

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

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value of Financial Instruments (Continued)

The fair values of the financial instruments shown in the following tables as of August 31, 2022 and 2021 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 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>August 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Assets Not Held at Fair Value</u>	<u>Total</u>
Assets:					
Investments:					
Mutual Funds	\$ 221,312	\$ -	\$ -	\$ -	\$ 221,312
Exchange Traded Funds	523,259	-	-	-	523,259
Equity Securities	1,770,688	-	-	-	1,770,688
Certificates of Deposit	-	523,508	-	-	523,508
Debt Securities	-	360,015	-	-	360,015
Cash	-	-	-	155,084	155,084
Total Investments	<u>2,515,259</u>	<u>883,523</u>	<u>-</u>	<u>155,084</u>	<u>3,553,866</u>
Beneficial Interest in Trust	<u>-</u>	<u>-</u>	<u>634,383</u>	<u>-</u>	<u>634,383</u>
Total Assets	<u>\$ 2,515,259</u>	<u>\$ 883,523</u>	<u>\$ 634,383</u>	<u>\$ 155,084</u>	<u>\$ 4,188,249</u>

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

<u>August 31, 2021</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Assets Not Held at Fair Value</u>	<u>Total</u>
Assets:					
Investments:					
Mutual Funds	\$ 233,912	\$ -	\$ -	\$ -	\$ 233,912
Exchange Traded Funds	505,307	-	-	-	505,307
Equity Securities	1,653,609	-	-	-	1,653,609
Certificates of Deposit	-	548,240	-	-	548,240
Debt Securities	-	320,248	-	-	320,248
Cash	-	-	-	156,760	156,760
Total Investments	2,392,828	868,488	-	156,760	3,418,076
 Beneficial Interest in Trust	 -	 -	 797,778	 -	 797,778
 Total Assets	 \$ 2,392,828	 \$ 868,488	 \$ 797,778	 \$ 156,760	 \$ 4,215,854

For the valuation of Certificates of Deposit and Debt Securities at August 31, 2022 and 2021, the Foundation used significant other observable inputs, particularly dealer market prices for comparable investments as of the valuation date (Level 2).

Purchases, sales, transfers in and transfers out of Level 3 investments consist of the following for the years ended August 31:

	<u>2022</u>	<u>2021</u>
Purchases	\$ -	\$ -
Sales	-	-
Transfers In	-	-
Transfer Out	-	179,542

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

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

Quantitative Information About Level 3 Fair Value Measurements			
Type of Assets	Fair Value at August 31, 2022	Principal Valuation Technique	Unobservable Inputs
Beneficial Interests in Trusts Held by Others	\$ 634,383	Fair Market Value of Investments	Value of Underlying Assets
Type of Assets	Fair Value at August 31, 2021	Principal Valuation Technique	Unobservable Inputs
Beneficial Interests in Trusts Held by Others	\$ 797,778	Fair Market Value of Investments	Value of Underlying Assets

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at 3.27% and 1.92% at August 31, 2022 and 2021, respectively. The following is a summary of the Foundation's contributions receivable at August 31:

	2022	2021
Total Amounts Due in:		
Within One Year	\$ 985,094	\$ 425,382
One to Five Years	102,500	175,000
Gross Contributions Receivable	1,087,594	600,382
Less: Discount to Present Value	(5,828)	(6,724)
Contributions Receivable, Net	\$ 1,081,766	\$ 593,658

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 6 SPLIT-INTEREST AGREEMENTS

Beneficial Interest in Trust

The Foundation is a named income beneficiary on a perpetual trust, the corpus of which is not controlled by the management of the Foundation. Under this arrangement, the Foundation has the irrevocable right to receive all or a portion of the income earned on the underlying assets held in perpetuity. Accordingly, permanently restricted contribution revenue and the related assets are recognized at fair value in the period in which the Foundation received notice that the agreement conveys an unconditional right to receive benefits. Subsequent changes in the value of the underlying assets are recorded in the accompanying statement of activities as a change in value of beneficial interest in assets held by others. During the years ended August 31, 2022 and 2021, respectively, the Foundation's beneficial interest in the trust was \$634,383 and \$797,778.

NOTE 7 TRANSACTIONS WITH RELATED ENTITIES

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel, and training scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the years ended August 31, 2022 and 2021, respectively, the Foundation received \$1,129,353 and \$1,054,215 from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amounts totaling \$578,532 and \$525,100 were paid from the Foundation to the National Organization during the years ended August 31, 2022 and 2021, 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 \$1,875 and \$2,000, respectively, for the years ended August 31, 2022 and 2021, which is recorded in the accompanying statements of activities as other income.

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 7 TRANSACTIONS WITH RELATED PARTIES (CONTINUED)

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

	<u>2022</u>	<u>2021</u>
Due from National Organization	\$ 142,399	\$ 81,108
Due from Other Chapters	18,276	22,011
Total Due from Related Entities	<u>\$ 160,675</u>	<u>\$ 103,119</u>
Due to National Organization	\$ 872	\$ 225
Due to Other Chapters	110,510	14,166
Total Due to Related Entities	<u>\$ 111,382</u>	<u>\$ 14,391</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, 2022 and 2021, the Foundation received contributions, both cash and in-kind, from board members totaling \$64,127 and \$206,713, respectively.

NOTE 8 PROPERTY AND EQUIPMENT, NET

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

	<u>2022</u>	<u>2021</u>
Computer Equipment and Software	\$ 94,279	\$ 99,879
Leasehold Improvements	59,316	59,316
Office Furniture and Other Equipment	43,574	43,574
Subtotal	197,169	202,769
Less: Accumulated Depreciation and Amortization	(172,092)	(163,437)
Property and Equipment, Net	<u>\$ 25,077</u>	<u>\$ 39,332</u>

Depreciation and amortization expense totaled \$18,916 and \$11,603, respectively, for the years ended August 31, 2022 and 2021.

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 9 LEASES

The Foundation is obligated under one operating lease for office space, which expires in October 2028, and one capital lease for equipment, which expires in April 2024. As of August 31, 2022 and 2021, the cost of leased property and equipment under capital leases was \$15,581, and accumulated depreciation was \$6,925 and \$1,640, respectively. Total rent expense for the operating lease for the years ended August 31, 2022 and 2021 totaled \$63,722 and \$68,496, respectively.

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

<u>Year Ending August 31.</u>	<u>Operating Lease</u>	<u>Capital Lease</u>
2023	\$ 84,172	\$ 5,520
2024	128,178	3,680
2025	130,803	-
2026	133,427	-
2027	136,052	-
Thereafter	161,843	-
Total Minimum Lease Payments	<u>774,475</u>	<u>9,200</u>
Less Amounts Representing Interest	-	(314)
Present Value of Net Minimum Lease Payments	<u>\$ 774,475</u>	<u>\$ 8,886</u>

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 10 NET ASSETS

Net Assets With Donor Restrictions

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

	<u>2022</u>	<u>2021</u>
Subject to Expenditure for Specified Purpose:		
Wish Granting	\$ 859,912	\$ 70,381
Grants and Other Restricted Cash	65,000	40,422
Total	<u>924,912</u>	<u>110,803</u>
Subject to Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	<u>125,854</u>	<u>264,776</u>
Total	125,854	264,776
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	(11,233)	116,450
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
August Busch Endowment	150,000	150,000
Potter Endowment	500,000	250,000
Kansas Endowment	40,000	40,000
Total	<u>678,767</u>	<u>556,450</u>
Not Subject to Spending Policy or Appropriation:		
Beneficial Interest in Trust	634,383	797,778
Promises to Give Restricted to Endowment	-	250,000
Total	<u>634,383</u>	<u>1,047,778</u>
Total Donor-Restricted Net Assets	<u>\$ 2,363,916</u>	<u>\$ 1,979,807</u>

NOTE 11 ENDOWMENT

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 three restricted funds as of August 31, 2022 and 2021. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets, both donor-restricted and board-designated, are reflected as investments held for long-term purposes on the statements of financial position.

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 11 ENDOWMENT (CONTINUED)

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the Missouri and Kansas 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 deciding 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, 2022</u>			
Donor-Restricted Endowment Funds:			
August Busch Endowment Fund	\$ -	\$ 189,605	\$ 189,605
Potter Endowment	-	448,939	448,939
Kansas Endowment	-	40,223	40,223
Total Funds	<u>\$ -</u>	<u>\$ 678,767</u>	<u>\$ 678,767</u>
<u>August 31, 2021</u>			
Donor-Restricted Endowment Funds			
August Busch Endowment Fund	\$ -	\$ 242,088	\$ 242,088
Potter Endowment	-	269,665	269,665
Kansas Endowment	-	44,697	44,697
Total Funds	<u>\$ -</u>	<u>\$ 556,450</u>	<u>\$ 556,450</u>

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 11 ENDOWMENT (CONTINUED)

Interpretation of Relevant Law (Continued)

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

August 31, 2022	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds - Beginning of Year	\$ -	\$ 556,450	\$ 556,450
Investment Return:			
Investment Income	-	711	711
Net Appreciation (Realized and Unrealized)	-	(126,984)	(126,984)
Total Investment Return	-	(126,273)	(126,273)
Contribution	-	250,000	250,000
Appropriation of Endowment	-	(1,410)	(1,410)
Endowment Funds - End of Year	<u>\$ -</u>	<u>\$ 678,767</u>	<u>\$ 678,767</u>
<u>August 31, 2021</u>			
Endowment Funds - Beginning of Year	\$ -	\$ 47,121	\$ 47,121
Investment Return:			
Investment Income	-	212	212
Net Appreciation (Realized and Unrealized)	-	80,985	80,985
Total Investment Return	-	81,197	81,197
Contributions	-	250,000	250,000
Reclassification to Endowment Asset	-	179,542	179,542
Appropriation of Endowment	-	(1,410)	(1,410)
Endowment Funds - End of Year	<u>\$ -</u>	<u>\$ 556,450</u>	<u>\$ 556,450</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. As of August 31, 2022, one endowment fund is underwater by \$51,062. There are no fund deficiencies as of August 31, 2021.

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 while seeking to maintain the purchasing power of the endowment assets.

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
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NOTE 11 ENDOWMENT (CONTINUED)

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation does not have a spending policy that mandates specific annual distributions. As operational needs are identified, the board may elect to make distributions from the endowment assets.

NOTE 12 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 six months of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2022 and 2021 were \$34,875 and \$36,250, respectively.

NOTE 13 CONCENTRATIONS OF CREDIT RISK

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

Contributions totaling \$1,417,604 and \$620,000 were received from one donor for the years ended August 31, 2022 and 2021, which represents 20% and 11%, respectively, of raised revenue which consists of total public support and gross internal special event revenue for each of the years. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 14 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.

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
NOTES TO FINANCIAL STATEMENTS
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NOTE 15 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the years ended August 31, 2022 and 2021, the Foundation granted 345 and 220 wishes, respectively. As of both August 31, 2022 and 2021 there were approximately 550 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2022 was \$6,415 in cash and \$1,447 in in-kind for a total cost of \$7,862. The average cost of a wish for the year ended August 31, 2021 was \$4,938 in cash and \$551 in in-kind for a total cost of \$5,489.

NOTE 16 RISKS AND UNCERTAINTIES

In December 2019, an outbreak of a novel strain of Coronavirus (COVID-19) began. On March 10, 2020, in conjunction with the Make-A-Wish America National Medical Advisory Council (NMAC), 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 September 15, 2021, in consultation with the NMAC, the pause on domestic travel to large gatherings was lifted, if travel occurred by automobile. The pause on airline travel was lifted December 1, 2021 with a graduated approach with full domestic travel resuming June of 2022. International and cruise wish travel is still paused as of August 31, 2022. Prior to fiscal year 2020, travel wishes have been approximately 78% of wishes granted and the number of granted wishes averaged approximately 414. The number of wishes granted during the years ended August 31, 2022 and 2021 was 345 and 220, respectively.

The Foundation continues to evaluate all expenses and fundraising efforts in light of the impact of COVID-19.

NOTE 17 PAYCHECK PROTECTION PROGRAM

The Foundation applied for and was approved for a \$357,200 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 16, 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 \$357,200 on December 3, 2020.

MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS
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AUGUST 31, 2022 AND 2021

NOTE 17 PAYCHECK PROTECTION PROGRAM (CONTINUED)

Under the second round of Paycheck Protection Program funding, the Foundation applied for and was approved for an additional \$406,682 loan. The loan was received on February 25, 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 \$406,682 on October 25, 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.

NOTE 18 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through May 4, 2023, the date at which the financial statements were available to be issued.



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