

**MAKE-A-WISH FOUNDATION® OF UTAH**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2022 AND 2021**



CPAs | CONSULTANTS | WEALTH ADVISORS

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YEARS ENDED AUGUST 31, 2022 AND 2021**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Utah  
Murray, Utah

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Utah 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 Utah 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 Utah 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 Utah's 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 Utah's 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 Utah's 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*

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
January 9, 2023

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

|                                       | 2022         | 2021         |
|---------------------------------------|--------------|--------------|
| <b>ASSETS</b>                         |              |              |
| Cash and Cash Equivalents             | \$ 340,669   | \$ 1,506,118 |
| Investments                           | 3,829,136    | 3,742,628    |
| Due from Related Entities             | 77,755       | 57,516       |
| Prepaid Expenses                      | 226,507      | 35,260       |
| Contributions Receivable, Net         | 2,054,952    | 2,009,486    |
| Other Assets                          | 5,908        | 8,905        |
| Restricted Cash                       | 356,241      | 177,276      |
| Property and Equipment, Net           | 1,625,166    | 1,678,523    |
| Total Assets                          | \$ 8,516,334 | \$ 9,215,712 |
| <b>LIABILITIES AND NET ASSETS</b>     |              |              |
| <b>LIABILITIES</b>                    |              |              |
| Accounts Payable and Accrued Expenses | \$ 241,405   | \$ 354,198   |
| Due to Related Entities               | 28,111       | 2,522        |
| Capital Lease Obligations             | 1,945        | 5,418        |
| Total Liabilities                     | 271,461      | 362,138      |
| <b>NET ASSETS</b>                     |              |              |
| Without Donor Restrictions            | 2,804,449    | 3,200,989    |
| With Donor Restrictions               | 5,440,424    | 5,652,585    |
| Total Net Assets                      | 8,244,873    | 8,853,574    |
| Total Liabilities and Net Assets      | \$ 8,516,334 | \$ 9,215,712 |

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF UTAH**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2022**

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total        |
|---|-------------------------------|----------------------------|--------------|
| <b>REVENUES, GAINS, AND OTHER SUPPORT</b> |                               |                            |              |
| Public Support:                           |                               |                            |              |
| Contributions, Cash                       | \$ 2,049,735                  | \$ 335,459                 | \$ 2,385,194 |
| Contributions, Donated Goods and Services | 916,652                       | 264,529                    | 1,181,181    |
| Grants                                    | 372,553                       | -                          | 372,553      |
| Total Public Support                      | 3,338,940                     | 599,988                    | 3,938,928    |
| Investment Loss, Net                      | (32,547)                      | (462,157)                  | (494,704)    |
| Other Income                              | 5,820                         | -                          | 5,820        |
| Net Assets Released from Restrictions     | 349,992                       | (349,992)                  | -            |
| Total Revenues, Gains, and Other Support  | 3,662,205                     | (212,161)                  | 3,450,044    |
| <b>EXPENSES</b>                           |                               |                            |              |
| Program Services:                         |                               |                            |              |
| Wish Granting                             | 3,110,961                     | -                          | 3,110,961    |
| Support Services:                         |                               |                            |              |
| Fundraising                               | 403,346                       | -                          | 403,346      |
| Management and General                    | 544,438                       | -                          | 544,438      |
| Total Support Services                    | 947,784                       | -                          | 947,784      |
| Total Expenses                            | 4,058,745                     | -                          | 4,058,745    |
| <b>CHANGE IN NET ASSETS</b>               | (396,540)                     | (212,161)                  | (608,701)    |
| Net Assets - Beginning of Year            | 3,200,989                     | 5,652,585                  | 8,853,574    |
| <b>NET ASSETS - END OF YEAR</b>           | \$ 2,804,449                  | \$ 5,440,424               | \$ 8,244,873 |

See accompanying Notes to Financial Statements.

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

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total        |
|---|-------------------------------|----------------------------|--------------|
| <b>REVENUES, GAINS, AND OTHER SUPPORT</b>       |                               |                            |              |
| Public Support:                                 |                               |                            |              |
| Contributions, Cash                             | \$ 2,274,419                  | \$ 2,504,908               | \$ 4,779,327 |
| Contributions, Donated Goods and Services       | 386,061                       | 3,655                      | 389,716      |
| Grants  | 273,960                       | -                          | 273,960      |
| Total Public Support                            | 2,934,440                     | 2,508,563                  | 5,443,003    |
| Investment Income (Loss), Net                   | 8,235                         | 441,604                    | 449,839      |
| Forgiveness of Paycheck Protection Program Loan | 400,117                       | -                          | 400,117      |
| Other Income                                    | 7,908                         | -                          | 7,908        |
| Net Assets Released from Restrictions           | 166,628                       | (166,628)                  | -            |
| Total Revenues, Gains, and Other Support        | 3,517,328                     | 2,783,539                  | 6,300,867    |
| <b>EXPENSES</b>                                 |                               |                            |              |
| Program Services:                               |                               |                            |              |
| Wish Granting                                   | 2,213,440                     | -                          | 2,213,440    |
| Support Services:                               |                               |                            |              |
| Fundraising                                     | 430,493                       | -                          | 430,493      |
| Management and General                          | 379,855                       | -                          | 379,855      |
| Total Support Services                          | 810,348                       | -                          | 810,348      |
| Total Expenses                                  | 3,023,788                     | -                          | 3,023,788    |
| <b>CHANGE IN NET ASSETS</b>                     | 493,540                       | 2,783,539                  | 3,277,079    |
| Net Assets - Beginning of Year                  | 2,707,449                     | 2,869,046                  | 5,576,495    |
| <b>NET ASSETS - END OF YEAR</b>                 | \$ 3,200,989                  | \$ 5,652,585               | \$ 8,853,574 |

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF UTAH**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2022**

|  | Program Services    | Support Services  |                        |                        | Total               |
|--|---------------------|-------------------|------------------------|------------------------|---------------------|
|  | Wish Granting       | Fundraising       | Management and General | Total Support Services |                     |
| Direct Costs of Wishes   | \$ 2,239,671        | \$ -              | \$ 21                  | \$ 21                  | \$ 2,239,692        |
| Salaries, Taxes, and Benefits  | 560,221             | 264,818           | 443,365                | 708,183                | 1,268,404           |
| Printing, Subscriptions, and Publications  | 1,338               | 1,942             | 309                    | 2,251                  | 3,589               |
| Professional Fees  | 2,325               | 1,060             | 5,724                  | 6,784                  | 9,109               |
| Occupancy  | 35,691              | 4,812             | 5,951                  | 10,763                 | 46,454              |
| Equipment Lease, Repairs, and Maintenance  | 460                 | 162               | 222                    | 384                    | 844                 |
| Postage and Delivery   | 1,372               | 569               | 796                    | 1,365                  | 2,737               |
| Travel   | 1,400               | 7,101             | 3,000                  | 10,101                 | 11,501              |
| Meetings and Conferences   | 6,433               | 11,007            | 4,523                  | 15,530                 | 21,963              |
| Office Supplies  | 11,916              | 2,917             | 565                    | 3,482                  | 15,398              |
| Communications   | 5,427               | 2,216             | 3,161                  | 5,377                  | 10,804              |
| Advertising and Media (Cash)   | 1,427               | 3,891             | 805                    | 4,696                  | 6,123               |
| Advertising and Media (In-Kind)  | 13,753              | 37,512            | 7,758                  | 45,270                 | 59,023              |
| Information Technology   | 5,025               | 2,401             | 5,243                  | 7,644                  | 12,669              |
| Membership Dues  | 255                 | 4,918             | 154                    | 5,072                  | 5,327               |
| National Partnership Dues  | 183,415             | 33,117            | 38,211                 | 71,328                 | 254,743             |
| Merchant Fees  | 147                 | 2,169             | 83                     | 2,252                  | 2,399               |
| Miscellaneous  | 4,545               | 8,010             | 4,206                  | 12,216                 | 16,761              |
| Depreciation and Amortization  | 36,140              | 14,724            | 20,341                 | 35,065                 | 71,205              |
| <b>Total Expenses Included in the Expense Section of the Statement of Activities</b> | <b>\$ 3,110,961</b> | <b>\$ 403,346</b> | <b>\$ 544,438</b>      | <b>\$ 947,784</b>      | <b>\$ 4,058,745</b> |

See accompanying Notes to Financial Statements.



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

|  | Program<br>Services | Support Services  |                           |                              | Total               |
|--|---------------------|-------------------|---------------------------|------------------------------|---------------------|
|  | Wish<br>Granting    | Fundraising       | Management<br>and General | Total<br>Support<br>Services |                     |
| Direct Costs of Wishes   | \$ 1,310,697        | \$ -              | \$ -                      | \$ -                         | \$ 1,310,697        |
| Salaries, Taxes, and Benefits  | 568,763             | 279,079           | 311,571                   | 590,650                      | 1,159,413           |
| Printing, Subscriptions, and Publications  | 2,190               | 5,036             | 740                       | 5,776                        | 7,966               |
| Professional Fees  | 4,132               | 2,162             | 6,233                     | 8,395                        | 12,527              |
| Occupancy  | 38,081              | 5,823             | 4,351                     | 10,174                       | 48,255              |
| Equipment Lease, Repairs, and Maintenance  | 468                 | 158               | 130                       | 288                          | 756                 |
| Postage and Delivery   | 1,254               | 2,190             | 460                       | 2,650                        | 3,904               |
| Travel   | 17                  | 5,103             | 7                         | 5,110                        | 5,127               |
| Meetings and Conferences   | 323                 | 26,174            | 628                       | 26,802                       | 27,125              |
| Office Supplies  | 20,151              | 14,330            | 1,250                     | 15,580                       | 35,731              |
| Communications   | 6,185               | 2,430             | 2,022                     | 4,452                        | 10,637              |
| Advertising and Media (In-Kind)  | -                   | 31,938            | -                         | 31,938                       | 31,938              |
| Information Technology   | 6,016               | 4,459             | 2,263                     | 6,722                        | 12,738              |
| Membership Dues  | 700                 | 4,582             | 510                       | 5,092                        | 5,792               |
| Program Service Grant  | 20,011              | 5                 | 6                         | 11                           | 20,022              |
| National Partnership Dues  | 176,836             | 28,676            | 33,455                    | 62,131                       | 238,967             |
| Merchant Fees  | 49                  | 2,527             | 17                        | 2,544                        | 2,593               |
| Miscellaneous  | 4,848               | 5,384             | 8,059                     | 13,443                       | 18,291              |
| Depreciation and Amortization  | 52,719              | 10,437            | 8,153                     | 18,590                       | 71,309              |
| <b>Total Expenses Included in the Expense<br/>Section of the Statement of Activities</b> | <b>\$ 2,213,440</b> | <b>\$ 430,493</b> | <b>\$ 379,855</b>         | <b>\$ 810,348</b>            | <b>\$ 3,023,788</b> |

See accompanying Notes to Financial Statements.

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

|  | 2022         | 2021         |
|--|--------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |              |              |
| Change in Net Assets   | \$ (608,701) | \$ 3,277,079 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: |              |              |
| Depreciation and Amortization  | 71,205       | 71,309       |
| Forgiveness of Paycheck Protection Program Loan  | -            | (400,117)    |
| Contributions Restricted for Endowment   | (225,000)    | (450,000)    |
| Net Realized and Unrealized (Gains) Losses on Investments  | 551,252      | (414,791)    |
| (Increase) Decrease in Assets:   |              |              |
| Contributions Receivable   | (45,466)     | (1,938,967)  |
| Due from Related Entities  | (20,239)     | (22,000)     |
| Prepaid Expenses   | (191,247)    | 10,692       |
| Other Assets   | 2,997        | 12,437       |
| Increase (Decrease) in Liabilities:  |              |              |
| Accounts Payable and Accrued Expenses  | (112,793)    | 195,869      |
| Due to Related Entities  | 25,589       | (1,419)      |
| Net Cash Provided (Used) by Operating Activities   | (552,403)    | 340,092      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |              |              |
| Purchases of Investments   | (979,761)    | (536,082)    |
| Proceeds from Sales of Investments   | 342,001      | 83,545       |
| Purchases of Property and Equipment  | (17,848)     | (7,886)      |
| Net Cash Used by Investing Activities  | (655,608)    | (460,423)    |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |              |              |
| Contributions Restricted for Endowment   | 225,000      | 450,000      |
| Principal Payments on Capital Lease Obligations  | (3,473)      | (2,983)      |
| Payments on Notes Payable  | -            | (10,000)     |
| Proceeds from Paycheck Protection Program Loan   | -            | 200,717      |
| Net Cash Provided by Financing Activities  | 221,527      | 637,734      |
| <b>NET INCREASE (DECREASE) IN CASH, CASH EQUIVALENTS, AND RESTRICTED CASH</b>                      | (986,484)    | 517,403      |
| Cash, Cash Equivalents, and Restricted Cash - Beginning of Year                                    | 1,683,394    | 1,165,991    |
| <b>CASH, CASH EQUIVALENTS, AND RESTRICTED CASH - END OF YEAR</b>                                   | \$ 696,910   | \$ 1,683,394 |
| <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>  |              |              |
| Cash Paid for Interest   | \$ 593       | \$ 7,006     |

See accompanying Notes to Financial Statements.

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

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of Utah (the Foundation) is a Utah nonprofit corporation, organized for the purpose of creating life changing wishes for children with critical illnesses. The Foundation is an independently operating chapter of Make-A-Wish Foundation® of America (National Organization), which develops and implements national programs in public relations and fundraising for the benefit of all local chapters. To be a Make-A-Wish chapter, the local chapter is obligated to comply with a chapter agreement with the National Organization and such guidelines, resolutions, and policies as may be adopted by the National Organization's Board of 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, Cash Equivalents, and Restricted Cash**

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Restricted cash represents monies that are restricted due to management preference.

**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 the future 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.

**Restricted Cash**

Restricted cash refers to the unexpended portion of support received that has been restricted by the donor for a specific purpose. These restrictions are for program expenditures and operational support.

**MAKE-A-WISH FOUNDATION® OF UTAH**  
**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 of 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. The building is being depreciated over an estimated life of 40 years. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

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

**Fair Value Measurements**

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

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

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

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

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

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

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

**Revenue Recognition**

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

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.

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.

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

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

**Revenue Recognition (Continued)**

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

| <u>August 31, 2022</u>              | <u>Programs</u>   | <u>Fundraising</u> | <u>Management<br/>and General</u> | <u>Total</u>        |
|-------------------------------------|-------------------|--------------------|-----------------------------------|---------------------|
| Wish Related                        | \$ 822,554        | \$ -               | \$ -                              | \$ 822,554          |
| Advertising and Media               | -                 | 59,023             | -                                 | 59,023              |
| Other                               | 15,757            | 11,740             | 2,669                             | 30,166              |
| Total                               | <u>\$ 838,311</u> | <u>\$ 70,763</u>   | <u>\$ 2,669</u>                   | 911,743             |
| Inventory (Asset)                   |                   |                    |                                   | 4,908               |
| Contribution Receivable, Net Change |                   |                    |                                   | 264,530             |
| Total                               |                   |                    |                                   | <u>\$ 1,181,181</u> |
| <br>                                |                   |                    |                                   |                     |
| <u>August 31, 2021</u>              |                   |                    |                                   |                     |
| Wish Related                        | \$ 302,345        | \$ -               | \$ -                              | \$ 302,345          |
| Advertising and Media               | -                 | 31,838             | -                                 | 31,838              |
| Other                               | 29,598            | 29,542             | 2,461                             | 61,601              |
| Total                               | <u>\$ 331,943</u> | <u>\$ 61,380</u>   | <u>\$ 2,461</u>                   | 395,784             |
| Inventory (Asset)                   |                   |                    |                                   | 8,340               |
| Total                               |                   |                    |                                   | <u>\$ 404,124</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.

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.

In-kind contributions related to wish granting are restricted to be used in granting wishes. No other in-kind contributions were received with donor restrictions.

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

**Income Taxes**

The Foundation is a nonprofit organization exempt from federal income and Utah income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Section 59-7-102 of the Utah Code. However, the Foundation remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

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.

**Cash Flows**

The following table provides a reconciliation of cash, cash equivalents, and restricted cash reported within the statements of financial position that sum to the totals of the same such amounts shown in the statements of cash flows:

|                           | <u>2022</u>       | <u>2021</u>         |
|---------------------------|-------------------|---------------------|
| Cash and Cash Equivalents | \$ 340,669        | \$ 1,506,118        |
| Restricted Cash           | 356,241           | 177,276             |
| Total                     | <u>\$ 696,910</u> | <u>\$ 1,683,394</u> |

**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.

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

**Management Estimates**

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

**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.

**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.

|   | <u>2022</u>         | <u>2021</u>         |
|---|---------------------|---------------------|
| Total Financial Assets  | \$ 6,658,753        | 7,493,024           |
| Donor-Imposed Restrictions:   |                     |                     |
| Restricted Funds  | (2,210,833)         | (2,161,943)         |
| Endowments  | <u>(3,229,591)</u>  | <u>(3,490,642)</u>  |
| Financial Assets Available to Meet Cash Needs<br>for General Expenditures Within One Year | <u>\$ 1,218,329</u> | <u>\$ 1,840,439</u> |

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



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**NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)**

Our 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.

Certain restricted funds in the amount of \$157,882 and \$153,380 for the years ended August 31, 2022 and 2021, respectively, are donor-restricted but available for use in time of rapid wish pipeline growth to ensure timeliness in granting wishes, as determined by the board.

**NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS**

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

The fair values of the financial instruments shown in the following table as of August 31, 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.

**Investments**

**Overall Investment Objective**

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

**Allocation of Investment Strategies**

The Foundation maintains three separate investment categories of funds: operating funds, an intermediate fund primarily for building maintenance and wish flow management, and a wish endowment fund. The various components of each fund are predicated on the liquidity needs and reserves of the Foundation. The investment vehicles range from money market accounts, to fixed income securities, to equity investments, depending on the investment time horizons. The Foundation, by policy, does not invest in speculative instruments (e.g., junk bonds, distressed securities, unregistered or restricted stocks, security loans, and other high-risk instruments).

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

**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:

|                        | Level 1             | Level 2     | Level 3     | Assets Not<br>Measured at<br>Fair Value | Total               |
|------------------------|---------------------|-------------|-------------|---|---------------------|
| <u>August 31, 2022</u> |                     |             |             |   |                     |
| Assets:                |                     |             |             |   |                     |
| Investments:           |                     |             |             |   |                     |
| Mutual Funds           | \$ 3,038,223        | \$ -        | \$ -        | \$ -                                    | \$ 3,038,223        |
| Exchange-Traded Funds  | 758,584             | -           | -           | -                                       | 758,584             |
| Cash                   |                     | -           | -           | 32,329                                  | 32,329              |
| Total                  | <u>\$ 3,796,807</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 32,329</u>                        | <u>\$ 3,829,136</u> |
| <u>August 31, 2021</u> |                     |             |             |   |                     |
| Assets:                |                     |             |             |   |                     |
| Investments:           |                     |             |             |   |                     |
| Mutual Funds           | \$ 3,580,570        | \$ -        | \$ -        | \$ -                                    | \$ 3,580,570        |
| Exchange-Traded Funds  | 121,155             | -           | -           | -                                       | 121,155             |
| Cash                   | -                   | -           | -           | 40,903                                  | 40,903              |
| Total                  | <u>\$ 3,701,725</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 40,903</u>                        | <u>\$ 3,742,628</u> |

**NOTE 5 CONTRIBUTIONS RECEIVABLE**

Contributions receivable include pledges that have been discounted at the rate 3.25% at August 31, 2022 and 1.08% at August 31, 2021. The following is a summary of the Foundation's contributions receivable at August 31:

|                                 | 2022                | 2021                |
|---------------------------------|---------------------|---------------------|
| Total Amounts Due in:           |                     |                     |
| Within One Year                 | \$ 1,593,079        | \$ 551,658          |
| One to Five Years               | 500,000             | 1,500,000           |
| Gross Contributions Receivable  | 2,093,079           | 2,051,658           |
| Less: Discount to Present Value | (38,127)            | (42,172)            |
| Contributions Receivable, Net   | <u>\$ 2,054,952</u> | <u>\$ 2,009,486</u> |

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**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, 2022 and 2021, respectively, the Foundation received \$657,913 and \$692,689 from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amount totaling \$260,353 and \$267,366 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 \$5,250 and \$-0-, respectively, for the years ended August 31, 2022 and 2021, which is recorded in the accompanying statements of activities as other income.

Amounts due from and to related entities are as follows:

|                                 | 2022      | 2021      |
|---------------------------------|-----------|-----------|
| Due from National Organization  | \$ 62,711 | 57,516    |
| Due from Other Chapters         | 15,044    | -         |
| Total Due from Related Entities | \$ 77,755 | \$ 57,516 |
| Due to National Organization    | \$ 2,000  | \$ 214    |
| Due to Other Chapters           | 26,111    | -         |
| Total Due to Related Entities   | \$ 28,111 | \$ 214    |

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

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**NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)**

During the years ended August 31, 2022 and 2021 the Foundation received contributions, both cash and in-kind, from board members totaling \$52,965 and \$61,500, respectively. At August 31, 2022 and 2021, amounts due from board members totaled \$1,750,000 and \$2,000,000, respectively, and are included in contributions receivable in the accompanying statements of financial position. Amounts paid to related parties for goods and services used in the Foundation's operations totaled \$31,865 and \$-0- for the years ended August 31, 2022 and 2021, respectively. Amounts due to related parties as of August 31, 2022 and 2021 totaled \$26,111 and \$2,308, respectively, and are included in accounts payable in the accompanying statements of financial position.

**NOTE 7 PROPERTY AND EQUIPMENT, NET**

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

|   | <u>2022</u>         | <u>2021</u>         |
|---|---------------------|---------------------|
| Land  | \$ 450,249          | \$ 450,249          |
| Buildings and Building Improvements             | 2,120,958           | 2,120,958           |
| Computer Equipment and Software                 | 47,494              | 31,518              |
| Office Furniture                                | 141,777             | 142,907             |
| Total   | <u>2,760,478</u>    | <u>2,745,632</u>    |
| Less: Accumulated Depreciation and Amortization | <u>(1,135,312)</u>  | <u>(1,067,109)</u>  |
| Property and Equipment, Net                     | <u>\$ 1,625,166</u> | <u>\$ 1,678,523</u> |

Depreciation and amortization expense totaled \$71,205 and \$71,309 for the years ended August 31, 2022 and 2021, respectively.

**NOTE 8 LEASES**

The Foundation is obligated under various capital and operating leases for equipment, which expire at various dates through February 2023. As of August 31, 2022 and 2021, the cost of leased property and equipment under capital leases was \$14,606 and accumulated depreciation was \$13,215 and \$10,433, respectively. Total rent expense for all operating leases for the years ended August 31, 2022 and 2021 totaled \$8,923.

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<br/>Leases</u> | <u>Capital<br/>Leases</u> |
|---|-----------------------------|---------------------------|
| 2023  | \$ 8,923                    | \$ 2,029                  |
| 2024  | 8,923                       | -                         |
| 2025  | 5,205                       | -                         |
| Total Minimum Lease Payments                | <u>23,051</u>               | <u>2,029</u>              |
| Less: Amounts Representing Interest         | <u>-</u>                    | <u>(84)</u>               |
| Present Value of Net Minimum Lease Payments | <u>\$ 23,051</u>            | <u>\$ 1,945</u>           |

**MAKE-A-WISH FOUNDATION® OF UTAH**  
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**NOTE 9 NET ASSETS**

**Net Assets With Donor Restrictions**

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

|  | 2022         | 2021         |
|--|--------------|--------------|
| Subject to Expenditure for Specified Purpose:  |              |              |
| Wish Granting  | \$ 157,882   | \$ 153,380   |
| Subject to Passage of Time:  |              |              |
| Promises to Give that are Not Restricted by Donors,<br>but Which are Unavailable for Expenditure Until Due | 341,078      | 50,735       |
| Promises to Give that are Restricted by Donors for<br>a Specified Purpose                                  | 1,711,873    | 1,957,828    |
| Total  | 2,052,951    | 2,008,563    |
| Endowments:  |              |              |
| Subject to Endowment Spending Policy<br>and Appropriation:   |              |              |
| Earnings on Endowment Funds  | 240,066      | 712,617      |
| Original Donor-Restricted Gift Amount to be<br>Maintained in Perpetuity:                                   |              |              |
| Endowment Fund   | 2,989,525    | 2,778,025    |
| Total  | 3,229,591    | 3,490,642    |
| Total Donor-Restricted Net Assets  | \$ 5,440,424 | \$ 5,652,585 |

**NOTE 10 ENDOWMENTS**

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

The Foundation's endowment consists of one fund established for wish granting purposes, utilizing donor-restricted endowment funds. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets are reflected as investments on the statements of financial position.

**Interpretation of Relevant Law**

The Board of Directors of the Foundation has interpreted the Utah 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.

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**NOTE 10 ENDOWMENTS (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

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

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

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

|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|--|-------------------------------|----------------------------|---------------------|
| <u>August 31, 2022</u>   |                               |                            |                     |
| Donor-Restricted Endowment Funds:  |                               |                            |                     |
| Original Donor-Restricted Gift Amount<br>and Amounts Required to be Maintained<br>in Perpetuity by Donor | \$ -                          | \$ 2,989,525               | \$ 2,989,525        |
| Accumulated Investment Gains   | -                             | 240,066                    | 240,066             |
| Total Funds  | <u>\$ -</u>                   | <u>\$ 3,229,591</u>        | <u>\$ 3,229,591</u> |
| <u>August 31, 2021</u>   |                               |                            |                     |
| Donor-Restricted Endowment Funds:  |                               |                            |                     |
| Original Donor-Restricted Gift Amount<br>and Amounts Required to be Maintained<br>in Perpetuity by Donor | \$ -                          | \$ 2,778,025               | \$ 2,778,025        |
| Accumulated Investment Gains   | -                             | 712,617                    | 712,617             |
| Total Funds  | <u>\$ -</u>                   | <u>\$ 3,490,642</u>        | <u>\$ 3,490,642</u> |

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**NOTE 10 ENDOWMENTS (CONTINUED)**

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

| August 31, 2022                                     | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|---|-------------------------------|----------------------------|---------------------|
| Endowment Funds - Beginning of Year                 | \$ -                          | \$ 3,490,642               | \$ 3,490,642        |
| Investment Return:                                  |                               |                            |                     |
| Investment Income                                   | -                             | 68,488                     | 68,488              |
| Net Appreciation (Realized and<br>Unrealized)       | -                             | (530,645)                  | (530,645)           |
| Total Investment Return                             | -                             | (462,157)                  | (462,157)           |
| Contributions                                       | -                             | 225,000                    | 225,000             |
| Transfers   | -                             | (23,894)                   | (23,894)            |
| Endowment Funds - End of Year                       | <u>\$ -</u>                   | <u>\$ 3,229,591</u>        | <u>\$ 3,229,591</u> |
| <u>August 31, 2021</u>                              |                               |                            |                     |
| Endowment Funds - Beginning of Year                 | \$ -                          | \$ 2,690,276               | \$ 2,690,276        |
| Investment Return:                                  |                               |                            |                     |
| Investment Income                                   | -                             | 32,226                     | 32,226              |
| Net Appreciation (Realized and<br>Unrealized)       | -                             | 409,378                    | 409,378             |
| Total Investment Return                             | -                             | 441,604                    | 441,604             |
| Contributions                                       | -                             | 450,000                    | 450,000             |
| Appropriation of Endowment Asset<br>for Expenditure | -                             | (91,238)                   | (91,238)            |
| Endowment Funds - End of Year                       | <u>\$ -</u>                   | <u>\$ 3,490,642</u>        | <u>\$ 3,490,642</u> |

**Fund Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There are no fund deficiencies as of August 31, 2022 and 2021.

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**NOTE 10 ENDOWMENTS (CONTINUED)**

**Return Objectives and Risk Parameters**

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment fund while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return equal to or greater than the rate of inflation. Actual returns in any given year may vary from this amount.

**Strategies Employed for Achieving Objectives**

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

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Foundation has a policy of appropriating for distribution each year only that portion of the investment income accrued during the period that does not put the principal in jeopardy. In establishing this policy, the Foundation considered the long-term expected return on its endowment. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**NOTE 11 RETIREMENT PLAN**

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after the first \$5,000 earned. 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 \$24,122 and \$25,015, respectively.



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**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.

Contributions totaling \$665,315 and \$2,457,828 were received from a single donor, for the years ended August 31, 2022 and 2021, respectively, which represents 17% and 45%, respectively, of raised revenue which consists of total public support and gross internal special event revenue. Should these contribution levels decrease, the Foundation may be adversely affected.

**NOTE 13 LITIGATION AND CLAIMS**

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

**NOTE 14 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 214 and 176 wishes, respectively. As of the August 31, 2022 and 2021, respectively, there were approximately 215 and 221 wish children who are eligible for a wish. The average cost for the year ended August 31, 2022 was \$6,680 in cash and \$3,893 in in-kind for a total cost of \$10,573. The average cost of a wish for the year ended August 31, 2021 was \$5,840 in cash and \$1,685 in in-kind for a total cost of \$7,525.

**NOTE 15 RISKS AND UNCERTAINTIES**

In December 2019, an outbreak of a novel strain of Coronavirus (COVID-19) began. On March 10, 2020, in conjunction with the Make-A-Wish America National Medical Advisory Council (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.

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**NOTE 15 RISKS AND UNCERTAINTIES (CONTINUED)**

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 211. The number of wishes granted during the years ended August 31, 2022 and 2021 was 214 and 176, respectively.

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

**NOTE 16 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through January 9, 2023, the date at which the financial statements were available to be issued.



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