

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2023 AND 2022



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YEARS ENDED AUGUST 31, 2023 AND 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of New Hampshire
Manchester, New Hampshire

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Make-A-Wish Foundation® of New Hampshire (a nonprofit organization, the Foundation), which comprise the statements of financial position as of August 31, 2023 and 2022, 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 New Hampshire as of August 31, 2023 and 2022, 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, in 2023 the Foundation adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

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 New Hampshire 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 New Hampshire'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 Make-A-Wish Foundation® of New Hampshire'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 New Hampshire'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

Boston, Massachusetts
March 6, 2024

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2023 AND 2022

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 887,915	\$ 1,077,878
Investments	2,928,222	2,697,710
Due from Related Entities	36,511	44,713
Prepaid Expenses and Other Assets	125,128	173,611
Contributions Receivable, Net	900,024	689,202
Split-Interest Agreements	9,716	9,142
Right-of-Use Assets - Operating	196,589	-
Right-of-Use Assets - Finance	5,380	-
Property and Equipment, Net	10,536	15,000
Total Assets	\$ 5,100,021	\$ 4,707,256
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 61,599	\$ 71,571
Due to Related Entities	57,432	98,612
Deferred Rent	-	175
Lease Liability - Operating	198,335	-
Lease Liability - Financing	5,400	-
Capital Lease Obligations	-	117
Total Liabilities	322,766	170,475
NET ASSETS		
Without Donor Restriction	3,827,053	3,758,115
With Donor Restriction	950,202	778,666
Total Net Assets	4,777,255	4,536,781
Total Liabilities and Net Assets	\$ 5,100,021	\$ 4,707,256

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2023

	Without Donor Restriction	With Donor Restriction	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 1,514,626	\$ 516,923	\$ 2,031,549
Contributions, Donated Goods and Services	441,358	45,341	486,699
Grants	27,796	-	27,796
Total Public Support	1,983,780	562,264	2,546,044
Internal Special Events	634,052	7,260	641,312
Less: Costs of Direct Benefits to Donors	(94,965)		(94,965)
Total Internal Special Events	539,087	7,260	546,347
Investment Income, Net	219,113	-	219,113
Other Income	9,283	-	9,283
Net Assets Released from Restrictions	398,562	(398,562)	-
Total Revenues, Gains, and Other Support	3,149,825	170,962	3,320,787
EXPENSES			
Program Services:			
Wish Granting	2,524,366	-	2,524,366
Support Services:			
Fundraising	432,926	-	432,926
Management and General	121,786	-	121,786
Total Support Services	554,712	-	554,712
Total Expenses	3,079,078	-	3,079,078
OTHER (GAINS) LOSSES			
Change in Value of Split-Interest Agreement	-	574	574
Loss on Sale of Equipment	(1,809)		(1,809)
Total Other (Gains) Losses	(1,809)	574	(1,235)
CHANGE IN NET ASSETS	68,938	171,536	240,474
Net Assets - Beginning of Year	3,758,115	778,666	4,536,781
NET ASSETS - END OF YEAR	\$ 3,827,053	\$ 950,202	\$ 4,777,255

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2022

	Without Donor Restriction	With Donor Restriction	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 1,925,620	\$ 335,966	\$ 2,261,586
Contributions, Donated Goods and Services	315,574	79,025	394,599
Grants	46,392	-	46,392
Total Public Support	2,287,586	414,991	2,702,577
Internal Special Events	349,069	7,467	356,536
Total Special Events	349,069	7,467	356,536
Investment Income, Net	(349,519)	-	(349,519)
Forgiveness of Paycheck Protection Program Loan	147,600	-	147,600
Other Income	10,020	-	10,020
Net Assets Released from Restrictions	233,812	(233,812)	-
	2,678,568	188,646	2,867,214
EXPENSES			
Program Services:			
Wish Granting	1,992,355	-	1,992,355
Support Services:			
Fundraising	366,887	-	366,887
Management and General	116,857	-	116,857
Total Support Services	483,744	-	483,744
Total Expenses	2,476,099	-	2,476,099
OTHER (GAINS) LOSSES			
Change in Value of Split-Interest Agreement	-	(2,634)	(2,634)
Total Nonoperating Activities	-	(2,634)	(2,634)
CHANGE IN NET ASSETS			
	202,469	186,012	388,481
Net Assets - Beginning of Year	3,555,646	592,654	4,148,300
NET ASSETS - END OF YEAR	\$ 3,758,115	\$ 778,666	\$ 4,536,781

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2023

	Program Services	Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services		
Direct Costs of Wishes	\$ 1,397,960	\$ -	\$ -	\$ -	\$ -	\$ 1,397,960
Salaries, Taxes, and Benefits	662,977	217,974	68,286	286,260	-	949,237
Printing, Subscriptions, and Publications	7,155	16,549	485	17,034	-	24,189
Professional Fees	2,366	612	20,763	21,375	-	23,741
Rent and Utilities	49,862	13,872	3,966	17,838	-	67,700
Postage and Delivery	4,693	7,527	367	7,894	-	12,587
Travel	29,112	10,529	819	11,348	-	40,460
Meetings and Conferences	19,340	2,083	88	2,171	-	21,511
Office Supplies	2,940	1,885	123	2,008	-	4,948
Communications	11,793	2,445	755	3,200	-	14,993
Advertising and Media (Cash)	3,620	1,030	1,591	2,621	-	6,241
Advertising and Media (In-Kind)	65,000	-	-	-	-	65,000
Repairs and Maintenance	12,252	26,091	11,401	37,492	-	49,744
Bad Debt Expense	-	3,379	-	3,379	-	3,379
Membership Dues	5,272	629	14	643	-	5,915
Volunteer Training	988	40	-	40	-	1,028
National Partnership Dues	152,853	38,843	11,350	50,193	-	203,046
Miscellaneous	92,376	88,462	1,477	89,939	-	182,315
Depreciation and Amortization	3,807	976	301	1,277	-	5,084
Special Event - Directo Donor Benefits	-	-	-	-	94,965	94,965
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(94,965)	(94,965)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 2,524,366</u>	<u>\$ 432,926</u>	<u>\$ 121,786</u>	<u>\$ 554,712</u>	<u>\$ -</u>	<u>\$ 3,079,078</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
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	\$ 1,006,111	\$ -	\$ -	\$ -	\$ 1,006,111
Salaries, Taxes, and Benefits	618,276	184,512	56,927	241,439	859,715
Printing, Subscriptions, and Publications	6,171	11,434	84	11,518	17,689
Professional Fees	3,053	776	18,868	19,644	22,697
Rent and Utilities	40,974	11,552	3,057	14,609	55,583
Postage and Delivery	4,351	4,678	329	5,007	9,358
Travel	8,882	7,587	141	7,728	16,610
Meetings and Conferences	10,857	1,196	427	1,623	12,480
Office Supplies	3,294	1,585	211	1,796	5,090
Communications	11,160	2,548	722	3,270	14,430
Advertising and Media (Cash)	2,865	1,029	100	1,129	3,994
Advertising and Media (In-Kind)	30,000	-	-	-	30,000
Repairs and Maintenance	8,307	15,302	2,356	17,658	25,965
Bad Debt Expense	-	15,060	-	15,060	15,060
Membership Dues	3,046	49	39	88	3,134
Volunteer Training	326	-	-	-	326
National Partnership Dues	156,625	28,279	32,630	60,909	217,534
Miscellaneous	73,047	80,027	594	80,621	153,668
Depreciation and Amortization	5,010	1,273	372	1,645	6,655
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 1,992,355	\$ 366,887	\$ 116,857	\$ 483,744	\$ 2,476,099

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 240,474	\$ 388,481
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation and Amortization	5,084	6,655
Amortization of Right-of-Use Asset, Finance Lease	20	-
Forgiveness of Paycheck Protection Program Loan	-	(147,600)
Bad Debt Expense and Other	3,379	15,060
Net Realized and Unrealized (Gains) Losses on Investments	(128,524)	470,284
Loss on Sale of Property and Equipment	1,809	-
Change in Value of Split-Interest Agreement	(574)	2,624
Change in Discount to Present Value of Contributions Receivable	(20,247)	(29,513)
Change in Operating Right-of-Use Assets and Lease Liabilities	1,454	-
(Increase) Decrease in Assets:		
Contributions Receivable	(193,954)	(129,276)
Due from Related Entities	8,202	(23,265)
Prepaid Expenses	48,483	(71,420)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(9,972)	26,778
Due to Related Entities	(41,180)	98,612
Deferred Rent	-	(2,786)
Net Cash Provided (Used) by Operating Activities	(85,546)	604,634
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(605,120)	(968,190)
Proceeds from Sales of Investments	503,132	174,931
Purchases of Property and Equipment	(2,429)	(2,800)
Net Cash Used by Investing Activities	(104,417)	(796,059)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Lease Obligations	-	(1,404)
Net Cash Provided (Used) by Financing Activities	-	(1,404)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(189,963)	(192,829)
Cash and Cash Equivalents - Beginning of Year	1,077,878	1,270,707
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 887,915	\$ 1,077,878
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 6,330	\$ -
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ 242,473	\$ -
Total	\$ 248,803	\$ -

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of New Hampshire (the Foundation) is a New Hampshire 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 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 NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Foundation determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the statements of financial position.

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease terms. The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right-of-use assets on the statements of financial position.

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Foundation has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The Foundation has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

Property and Equipment, Net

Property and equipment having a unit cost greater than \$1,000 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 (Fiscal Year 2022) 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 lease. 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.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

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.

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.

Special event revenue consists of registrations, sponsorships and other contributions. The exchange element of the special event revenue was approximately \$170,150 and \$121,750 for the years ended August 31, 2023 and 2022, 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.

Donated advertising and media is reported as contribution revenue and fundraising or public information expense when received and the reporting or such contributions is unaffected by whether the Foundation could afford to purchase or would have purchased the assets at their fair value.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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. For the years ended August 31, 2023 and 2022, there were no conditional promises outstanding.

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.

Contributions: Donated Goods and Services

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

	2023	2022
Wish Related Travel, Goods, and Services	\$ 389,179	\$ 350,536
Advertising and Media	65,000	30,000
Property and Equipment	-	2,300
Other	32,520	14,063
Total	<u>\$ 486,699</u>	<u>\$ 396,899</u>

Wish related travel, goods and other services are used in the wish granting program. The Foundation estimates the fair value of wish related travel, goods, and services on the basis of estimates of the current market rates for similar travel, goods and other services in the Foundation’s market.

Donated advertising and media is reported at the estimated fair value as provided by the donor based on rates charged for similar advertising or media. Advertising and media is used for both program and supporting services. 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.

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.

MAKE-A-WISH FOUNDATION® OF NEW HAMPSHIRE
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and New Hampshire income and franchise taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3) and Section RSA77 of the New Hampshire Department of Revenue Administration. 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, 2023 and 2022. The Foundation files income tax returns in the U.S. federal jurisdiction, and applicable state jurisdictions.

Functional Expenses

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

Wish Granting

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

Fundraising

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations. During the fiscal years ended August 31, 2023 and 2022, the Foundation incurred no significant joint costs for activities that include fundraising appeals.

Management and General

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

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

Deferred Rent (ASC 840)

The Foundation accounts for rent expense evenly over the term of the lease using the straight-line method. The unamortized deferred rent was \$175 at August 31, 2022.

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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 February 2016, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Foundation adopted the requirements of the guidance effective September 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

The Foundation has elected to adopt the package of practical expedients available in the year of adoption. The Foundation has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Foundation's ROU assets.

Lease disclosures for the year ended August 31, 2022 are made under prior lease guidance in FASB ASC 840.

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.

	2023	2022
Total Financial Assets	\$ 4,752,672	\$ 4,509,503
Donor-Imposed Restrictions:		
Restricted Funds	(950,202)	(778,666)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 3,802,470	\$ 3,730,837

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NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

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

NOTE 4 FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

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

The fair values of the financial instruments shown in the following tables as of August 31, 2023 and 2022 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 audit and finance committee or the board of directors, which oversees the Foundation's investment program in accordance with established guidelines.

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy

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

	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Assets not Held at Fair Value	Total
<u>August 31, 2023</u>					
Assets					
Investments:					
Mutual Funds	\$ 2,075,890	\$ -	\$ -	\$ -	\$ 2,075,890
Exchange-Traded Funds	392,404	-	-	-	392,404
Certificates of Deposit	433,289	-	-	-	433,289
Debt Securities	-	-	-	-	-
Cash	-	-	-	26,639	26,639
Total Investments	<u>2,901,583</u>	<u>-</u>	<u>-</u>	<u>26,639</u>	<u>2,928,222</u>
Split-Interest Agreements	-	-	9,716	-	9,716
Total Assets	<u>\$ 2,901,583</u>	<u>\$ -</u>	<u>\$ 9,716</u>	<u>\$ 26,639</u>	<u>\$ 2,937,938</u>
<u>August 31, 2022</u>					
Assets					
Investments:					
Mutual Funds	\$ 1,856,419	\$ -	\$ -	\$ -	\$ 1,856,419
Exchange-Traded Funds	597,237	-	-	-	597,237
Certificates of Deposit	91,957	-	-	-	91,957
Debt Securities	89,904	-	-	-	89,904
Cash	-	-	-	62,193	62,193
Total Investments	<u>2,635,517</u>	<u>-</u>	<u>-</u>	<u>62,193</u>	<u>2,697,710</u>
Split-Interest Agreements	-	-	9,142	-	9,142
Total Assets	<u>\$ 2,635,517</u>	<u>\$ -</u>	<u>\$ 9,142</u>	<u>\$ 62,193</u>	<u>\$ 2,706,852</u>

For the valuation of the split-interest agreement at August 31, 2023, the Foundation used significant unobservable inputs such as present value of expected future amount to be received (Level 3). There were no changes in valuation techniques and related inputs from the prior year.

There are no purchases, sales, transfers in and transfers out of Level 3 investments for both years ended August 31, 2023 and 2022.

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NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at rates ranging from 0.79% to 3.36% for both years ended August 31, 2023 and 2022. The following is a summary of the Foundation's contributions receivable at August 31:

	2023	2022
Total Amounts Due in:		
One Year	\$ 470,830	\$ 375,631
Two to Five Years	473,381	395,684
More than Five Years	-	-
Gross Contributions Receivable	944,211	771,315
Less: Allowance for Doubtful Accounts	(23,940)	(52,600)
Less: Discount to Present Value	(20,247)	(29,513)
Contributions Receivable, Net	\$ 900,024	\$ 689,202

NOTE 6 SPLIT-INTEREST AGREEMENT

Beneficial Interest in Net Assets Held by Others

Donors have contributed assets to the National Organization in exchange for a promise by the National Organization to pay a fixed amount for a specified period of time to the donor or to individuals designated by the donor. Under the terms of such agreements, no trust exists, as the assets received are held by and the liability is an obligation of the National Organization. The National Organization records contribution revenue using the fair value of the assets less the present value of the payments expected to be made to the beneficiaries. The Foundation is named as a beneficiary in one of these agreements. Accordingly, temporarily 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 the change in value of beneficial interest in assets held by others.

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, 2023 and 2022, respectively, the Foundation received \$235,095 and \$286,375 from these national revenue streams.

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NOTE 7 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

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 \$203,046 and \$217,534 were paid from the Foundation to the National Organization during the years ended August 31, 2023 and 2022, 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 \$9,195 and \$11,233, respectively, for the years ended August 31, 2023 and 2022, which is recorded in the accompanying statements of activities as other income.

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

	2023	2022
Due from National Organization	\$ 42,106	\$ 49,361
Due from Other Chapters	4,121	4,494
Total Due from Related Entities	<u>\$ 46,227</u>	<u>\$ 53,855</u>
Due to National	\$ 4,816	\$ 66,322
Due to Other Chapters	52,616	32,290
Total Due to Related Entities	<u>\$ 57,432</u>	<u>\$ 98,612</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, 2023 and 2022, the Foundation received contributions, both cash and in-kind, from board members totaling \$21,595 and \$12,800, respectively. At August 31, 2023 and 2022, amounts due from board members totaled \$37,567 and \$33,417, 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 \$7,367 and \$3,651 for the years ended August 31, 2023 and 2022, respectively, and are included in accounts payable in the accompanying statements of financial position.

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NOTE 8 PROPERTY AND EQUIPMENT

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

	2023	2022
Computer Equipment and Software	\$ 29,921	\$ 50,376
Office Furniture	10,685	10,685
Total	40,606	61,061
Less: Accumulated Depreciation and Amortization	(30,070)	(46,061)
Property and Equipment, Net	<u>\$ 10,536</u>	<u>\$ 15,000</u>

Depreciation and amortization expense totaled \$5,084 and \$6,655, respectively, for the years ended August 31, 2023 and 2022.

NOTE 9 LEASES

Lease Agreements – ASC 842

The Foundation Leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2027.

The following tables provide quantitative information concerning the Foundation's leases as of August 31, 2023.

Lease Cost:

Finance Lease Cost:	
Amortization of Right-of-Use Assets	\$ 949
Interest on Lease Liabilities	189
Operating Lease Cost	55,991
Total Lease Cost	<u>\$ 57,129</u>

Other Information:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities	
Operating Cash Flows from Financing Leases	\$ 189
Operating Cash Flows from Operating Leases	50,163
Financing Cash Flows from Financing Leases	855
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	
	6,330
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	
	242,028
Weighted-Average Remaining Leases Term - Financing Leases	
	4.2 years
Weighted Average Remaining Lease Term - Operating Leases	
	3.9 years
Weighted-Average Discount Rate - Financing Leases	
	4.29%
Weighted-Average Discount Rate - Operating Leases	
	2.68%

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NOTE 9 LEASES (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of August 31, 2023, is as follows:

<u>Year Ending August 31</u>	<u>Operating Leases</u>	<u>Finance Leases</u>
2024	\$ 51,618	\$ 1,392
2025	52,893	1,392
2026	54,192	1,392
2027	50,571	1,392
2028	-	348
Thereafter	-	-
Total Lease Payments	<u>209,274</u>	<u>5,916</u>
Less: Imputed Interest	10,939	516
Present Value of Lease Liabilities	<u>\$ 198,335</u>	<u>\$ 5,400</u>

Lease Agreements – ASC 840

The Foundation is obligated under various capital and operating leases for offices and equipment, which expire at various dates through July 1, 2027. As of August 31, 2022, the cost of leased property and equipment under capital leases was \$7,020 and accumulated depreciation was \$6,903. Total rent expense for all operating leases for the year ended August 31, 2022 totaled \$45,320.

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>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose:		
Wish Granting	\$ 25,167	\$ 62,109
Total	<u>25,167</u>	<u>62,109</u>
Subject to Passage of Time:		
Assets Held under Split Interest Agreements	9,716	9,142
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	915,319	707,415
Total	<u>925,035</u>	<u>716,557</u>
Total Donor Restricted Net Assets	<u>\$ 950,202</u>	<u>\$ 778,666</u>

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NOTE 11 RETIREMENT PLAN

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of 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 \$5,000 per plan year. Foundation contributions to the Plan for the years ended August 31, 2023 and 2022 were \$30,750 and \$27,617, respectively.

NOTE 12 CONCENTRATIONS OF CREDIT RISK

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

NOTE 13 LITIGATION AND CLAIMS

The Foundation is periodically involved in litigation and claims arising in the ordinary course of business. In the opinion of management, there is no pending litigation that would have a material adverse effect on the Foundation's financial position, change in net assets, or liquidity.

NOTE 14 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the years ended August 31, 2023 and 2022, the Foundation granted 86 and 71 wishes, respectively. As of August 31, 2023 and 2022, respectively, there were approximately 120 and 80 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2023 was \$11,188 in cash and \$5,064 in in-kind for a total cost of \$16,252. The average cost of a wish for the year ended August 31, 2022 was \$10,451 in cash and \$3,526 in in-kind for a total cost of \$13,977.

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NOTE 15 RISKS AND UNCERTANITIES

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 76% of wishes granted and the number of granted wishes averaged approximately 80. The number of wishes granted during the years ended August 31, 2023 and 2022 was 86 and 71, respectively.

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

NOTE 16 PAYCHECK PROTECTION PROGRAM

Under the second round of Paycheck Protection Program funding, the Foundation applied for and was approved for an additional \$147,600 loan. The loan was received on January 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 U.S. Small Business Administration (SBA). The Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. Foundation received forgiveness of \$147,600 on September 14, 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 17 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through March 6, 2024, the date at which the financial statements were available to be issued.



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