

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



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Oregon  
Portland, Oregon

### Report on the Audit of the Financial Statements

#### **Opinion**

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

Phoenix, Arizona  
April 2, 2024

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

<b>ASSETS</b>	2023	2022
Cash and Cash Equivalents	\$ 1,430,993	\$ 2,009,589
Investments	1,590,163	1,523,835
Due from Related Entities	76,205	69,260
Prepaid Expenses	129,000	98,958
Contributions Receivable	215,868	226,059
Other Assets	177,809	28,954
Investments Held for Long-Term Purposes	151,161	141,825
Right-of-Use Assets - Operating	452,816	-
Right-of-Use Assets - Finance	2,945	-
Property and Equipment, Net	39,482	55,681
Total Assets	\$ 4,266,442	\$ 4,154,161
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 199,651	\$ 236,594
Due to Related Entities	74,455	51,359
Other Liabilities	37,838	-
Deferred Rent	-	39,711
Lease Liability - Operating	490,674	-
Lease Liability - Financing	2,945	-
Capital Lease Obligation	-	4,085
Total Liabilities	805,563	331,749
<b>NET ASSETS</b>		
Without Donor Restrictions	2,984,081	3,455,565
With Donor Restrictions	476,798	366,847
Total Net Assets	3,460,879	3,822,412
Total Liabilities and Net Assets	\$ 4,266,442	\$ 4,154,161

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF OREGON**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Cash	\$ 2,076,910	\$ -	\$ 2,076,910
Contributions, Donated Goods and Services	1,596,970	401,886	1,998,856
Grants	417,700	-	417,700
Total Public Support	4,091,580	401,886	4,493,466
Internal Special Events	1,456,256	-	1,456,256
Less: Costs of Direct Benefits to Donors	(125,149)	-	(125,149)
Total Internal Special Events	1,331,107	-	1,331,107
Investment Income, Net	68,655	9,337	77,992
Other Income	3,389	-	3,389
Net Assets Released from Restrictions	301,272	(301,272)	-
Total Revenues, Gains, and Other Support	5,796,003	109,951	5,905,954
<b>EXPENSES</b>			
Program Services:			
Wish Granting	4,789,782	-	4,789,782
Training and Development	60,735	-	60,735
Public Information	149,384	-	149,384
Total Program Services	4,999,901	-	4,999,901
Support Services:			
Fundraising	835,725	-	835,725
Management and General	431,861	-	431,861
Total Support Services	1,267,586	-	1,267,586
Total Expenses	6,267,487	-	6,267,487
<b>CHANGE IN NET ASSETS</b>	(471,484)	109,951	(361,533)
Net Assets - Beginning of Year	3,455,565	366,847	3,822,412
<b>NET ASSETS - END OF YEAR</b>	\$ 2,984,081	\$ 476,798	\$ 3,460,879

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Cash	\$ 2,136,524	\$ -	\$ 2,136,524
Contributions, Donated Goods and Services	1,037,294	218,338	1,255,632
Grants	546,265	-	546,265
Total Public Support	3,720,083	218,338	3,938,421
Internal Special Events	1,217,076	-	1,217,076
Less: Costs of Direct Benefits to Donors	(99,756)	-	(99,756)
Total Internal Special Events	1,117,320	-	1,117,320
Investment Loss, Net	(162,775)	(26,640)	(189,415)
Forgiveness of Paycheck Protection Program Loan	228,897	-	228,897
Other Income	1,950	-	1,950
Net Assets Released from Restrictions	194,173	(194,173)	-
Total Revenues, Gains, and Other Support	5,099,648	(2,475)	5,097,173
<b>EXPENSES</b>			
Program Services:			
Wish Granting	3,179,822	-	3,179,822
Training and Development	94,411	-	94,411
Public Information	117,804	-	117,804
Total Program Services	3,392,037	-	3,392,037
Support Services:			
Fundraising	747,870	-	747,870
Management and General	518,610	-	518,610
Total Support Services	1,266,480	-	1,266,480
Total Expenses	4,658,517	-	4,658,517
<b>CHANGE IN NET ASSETS</b>	441,131	(2,475)	438,656
Net Assets - Beginning of Year	3,014,434	369,322	3,383,756
<b>NET ASSETS - END OF YEAR</b>	\$ 3,455,565	\$ 366,847	\$ 3,822,412

See accompanying Notes to Financial Statements.

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

	Program Services				Support Services				
	Wish Granting	Training and Development	Public Information	Total Program Services	Fundraising	Management and General	Total Support Services	Direct Donor Benefits	Total
Direct Costs of Wishes	\$ 3,713,278	\$ -	\$ 62	\$ 3,713,340	\$ -	\$ -	\$ -	\$ -	\$ 3,713,340
Salaries, Taxes, and Benefits	644,893	42,355	92,406	779,654	538,150	278,149	816,299	-	1,595,953
Printing, Subscriptions, and Publications	6,832	884	14,112	21,828	15,591	748	16,339	-	38,167
Professional Fees	10,730	3,968	3,312	18,010	8,130	45,844	53,974	-	71,984
Rent and Utilities	58,462	4,047	8,340	70,849	51,924	21,262	73,186	-	144,035
Postage and Delivery	1,688	2,138	716	4,542	2,993	527	3,520	-	8,062
Travel	4,938	211	5,581	10,730	7,571	5,469	13,040	-	23,770
Meetings and Conferences	887	347	11,800	13,034	42,421	4,402	46,823	-	59,857
Office Supplies	41,917	1,716	3,037	46,670	11,733	2,472	14,205	-	60,875
Communications	2,368	171	618	3,157	2,011	1,435	3,446	-	6,603
Repairs and Maintenance	(85)	(6)	(12)	(103)	(77)	(33)	(110)	-	(213)
National Partnership Dues	284,575	-	-	284,575	48,845	42,312	91,157	-	375,732
Miscellaneous	13,766	4,504	6,248	24,518	76,002	27,147	103,149	-	127,667
Depreciation and Amortization	5,533	400	803	6,736	4,991	2,127	7,118	-	13,854
Advertising and Media (Cash)	-	-	2,361	2,361	25,440	-	25,440	-	27,801
Special Event - Direct Donor Benefits	-	-	-	-	-	-	-	125,149	125,149
Total	4,789,782	60,735	149,384	4,999,901	835,725	431,861	1,267,586	125,149	6,392,636
Less: Expenses Netted Against Revenues on the Statement of Activities:									
Special Event - Direct Donor Benefits	-	-	-	-	-	-	-	(125,149)	(125,149)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 4,789,782	\$ 60,735	\$ 149,384	\$ 4,999,901	\$ 835,725	\$ 431,861	\$ 1,267,586	\$ -	\$ 6,267,487

See accompanying Notes to Financial Statements.



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

	Program Services			Support Services					
	Wish Granting	Training and Development	Public Information	Total Program Services	Fundraising	Management and General	Total Support Services	Direct Donor Benefits	Total
Direct Costs of Wishes	\$ 2,440,254	\$ -	\$ -	\$ 2,440,254	\$ -	\$ -	\$ -	\$ -	\$ 2,440,254
Salaries, Taxes, and Benefits	421,522	67,077	92,603	581,202	473,249	396,666	869,915	-	1,451,117
Printing, Subscriptions, and Publications	2,313	15	4,560	6,888	26,095	97	26,192	-	33,080
Professional Fees	-	3,814	272	4,086	595	13,034	13,629	-	17,715
Rent and Utilities	49,941	5,767	8,544	64,252	54,752	32,747	87,499	-	151,751
Postage and Delivery	2,836	4,262	297	7,395	5,448	506	5,954	-	13,349
Travel	3,700	856	2,164	6,720	5,545	1,576	7,121	-	13,841
Meetings and Conferences	6,572	1,575	3,745	11,892	18,285	2,543	20,828	-	32,720
Office Supplies	19,396	2,178	891	22,465	7,283	2,348	9,631	-	32,096
Communications	2,756	318	471	3,545	3,022	2,103	5,125	-	8,670
Repairs and Maintenance	305	35	52	392	335	201	536	-	928
Insurance	-	-	-	-	-	270	270	-	270
National Partnership Dues	213,833	-	-	213,833	38,609	44,548	83,157	-	296,990
Miscellaneous	11,508	7,970	3,252	22,730	69,885	18,894	88,779	-	111,509
Depreciation and Amortization	4,886	544	878	6,308	5,212	3,077	8,289	-	14,597
Advertising and Media (Cash)	-	-	75	75	39,555	-	39,555	-	39,630
Special Event - Direct Donor Benefits	-	-	-	-	-	-	-	99,756	99,756
Total	3,179,822	94,411	117,804	3,392,037	747,870	518,610	1,266,480	99,756	4,758,273
Less: Expenses Netted Against Revenues on the Statement of Activities:									
Special Event - Direct Donor Benefits	-	-	-	-	-	-	-	(99,756)	(99,756)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 3,179,822	\$ 94,411	\$ 117,804	\$ 3,392,037	\$ 747,870	\$ 518,610	\$ 1,266,480	\$ -	\$ 4,658,517

See accompanying Notes to Financial Statements.

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

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (361,533)	\$ 438,656
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	12,714	14,597
Amortization of Right-of-Use Asset, Finance Lease	1,140	-
Forgiveness of Paycheck Protection Loan	-	(228,897)
Bad Debt Expense and Other	-	2,500
Net Realized and Unrealized (Gains) Losses on Investments	(46,210)	203,871
Change in Operating Right-of-Use Assets and Lease Liabilities	(1,853)	-
(Increase) Decrease in Assets:		
Contributions Receivable	10,191	(208,752)
Due from Related Entities	(6,945)	(25,699)
Prepaid Expenses	(30,042)	(32,620)
Other Assets	(148,855)	225,485
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(36,943)	143,020
Due to Related Entities	23,096	50,608
Other Liabilities	37,838	(75,185)
Deferred Rent	-	2,425
Net Cash Provided (Used) by Operating Activities	(547,402)	510,009
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(29,454)	(11,762)
Purchases of Property and Equipment	(600)	-
Net Cash Used by Investing Activities	(30,054)	(11,762)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Capital Lease Obligations	-	(1,140)
Principal Payments on Finance Lease Obligations	(1,140)	-
Net Cash Used by Financing Activities	(1,140)	(1,140)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(578,596)	497,107
Cash and Cash Equivalents - Beginning of Year	2,009,589	1,512,482
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,430,993	\$ 2,009,589
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest Expense	\$ 152	\$ -
Contributed Other Assets	\$ -	\$ 8,360
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 578,012	\$ -

See accompanying Notes to Financial Statements.

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

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of Oregon (the Foundation) is an Oregon 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 (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 OREGON**  
**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 \$1,500 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 (Fiscal Year 2022) 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 7 years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the leases. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

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

**MAKE-A-WISH FOUNDATION® OF OREGON**  
**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.

**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.

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

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

**Net Assets (Continued)**

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 \$125,000 and \$99,800 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.

The Foundation receives auction items to be sold at its special events. Contributed auction items are valued at the gross selling price received and the value is included in internal special event revenue on the statement of activities. The amount of auction items received and sold during the years ended August 31, 2023 and 2022 totaled \$126,485 and \$225,813, respectively.

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. Conditional promises outstanding for the years ended August 31, 2023 and 2022 were \$365,000 and \$615,000 respectively.

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 OREGON**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023 AND 2022**

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

**Contributions: Donated Goods and Services**

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

	<u>2023</u>	<u>2022</u>
Wish Related Travel, Goods, and Services	\$ 1,948,937	\$ 1,228,291
Professional Services	22,936	-
Contributed Office Space	-	8,003
Other	26,983	19,338
Total Contributed Nonfinancial Assets and Services	<u>\$ 1,998,856</u>	<u>\$ 1,255,632</u>

Wish related travel, goods and 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.

Professional services relate to donated training services used for program and support services, and are valued and reported at the estimated fair value based on current rates for similar services.

Contributed office space is valued and reported at the estimated fair value on the basis of comparable lease agreements in the Foundation's market. Contributed office space is used for both program and supporting services.

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

**Income Taxes**

The Foundation is a nonprofit organization exempt from federal income and Oregon taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3) and Section 65 of the Oregon Revised Statutes. However, the Foundation remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

Management believes that no uncertain tax positions exist for the Foundation at August 31, 2023 and 2022. The Foundation files income tax returns in the U.S. federal jurisdiction and applicable state jurisdictions.

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

**Functional Expenses**

The Foundation performs six functions: wish granting, program-related support, training and development, public information, 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.

**Training and Development**

Activities performed by the Foundation include, but are not limited to, implementing programs that support the identification of wish candidates and the determination and delivery of the wish.

**Public Information**

Activities performed by the Foundation in communicating the purpose and services of the Foundation to all potential sources of wish referrals.

**Fundraising**

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

**Management and General**

All costs not identifiable with the specific programs or fundraising activities, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general 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 \$39,711 at August 31, 2022.

**Management Estimates**

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



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

**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.

Total Financial Assets	<u>2023</u> \$ 3,464,390	<u>2022</u> \$ 3,970,568
Donor-Imposed Restrictions:		
Restricted Funds	(325,637)	(225,023)
Endowments	<u>(151,161)</u>	<u>(141,824)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,987,592</u>	<u>\$ 3,603,721</u>

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

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

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

**NOTE 4 FAIR VALUE MEASUREMENTS**

**Fair Value of Financial Instruments**

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

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

**Overall Investment Objective**

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

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

**Fair Value Hierarchy**

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

August 31, 2023	(Level 1)	(Level 2)	(Level 3)	Assets Not Held at Fair Value	Total
Investments:					
Mutual Funds	\$ 685,156	\$ -	\$ -	\$ -	\$ 685,156
Exchange Traded Funds	351,196	-	-	-	351,196
Certificates of Deposit	-	678,535	-	-	678,535
Cash	-	-	-	26,437	26,437
Total Investments	<u>\$ 1,036,352</u>	<u>\$ 678,535</u>	<u>\$ -</u>	<u>\$ 26,437</u>	<u>\$ 1,741,324</u>
August 31, 2022					
Investments:					
Mutual Funds	\$ 617,392	\$ -	\$ -	\$ -	\$ 617,392
Exchange Traded Funds	357,276	-	-	-	357,276
Certificates of Deposit	-	631,643	-	-	631,643
Cash	-	-	-	59,349	59,349
Total Investments	<u>\$ 974,668</u>	<u>\$ 631,643</u>	<u>\$ -</u>	<u>\$ 59,349</u>	<u>\$ 1,665,660</u>

**NOTE 5 CONTRIBUTIONS RECEIVABLE**

The Foundation's contributions receivable as of August 31, 2023 and 2022 were \$215,868 and \$226,059, respectively. All contributions receivable at August 31, 2023 and 2022 are due within the next 12 months. Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts was considered necessary at August 31, 2023 and 2022.

**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, 2023 and 2022, respectively, the Foundation received \$573,784 and \$748,154 from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amounts totaling \$404,484 and \$316,854 were paid from the Foundation to the National Organization during the years ended August 31, 2023 and 2022, respectively.

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

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 \$3,150 and \$1,950, 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
Balance - August 31:		
Due from National Organization	\$ 66,218	\$ 67,273
Due from Other Chapters	9,987	1,987
Total Due from Related Entities	\$ 76,205	\$ 69,260
Due to National Organization	\$ 215	\$ 1,639
Due to Other Chapters	74,240	49,720
Total Due to Related Entities	\$ 74,455	\$ 51,359

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 \$50,498 and \$31,919, respectively.

**NOTE 7 PROPERTY AND EQUIPMENT, NET**

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

	2023	2022
Computer Equipment and Software	\$ 55,416	\$ 55,416
Office Furniture and Other Equipment	97,494	102,595
Leasehold Improvements	11,793	11,793
	164,703	169,804
Less: Accumulated Depreciation and Amortization	(125,221)	(114,123)
Property and Equipment, Net	\$ 39,482	\$ 55,681

Depreciation and amortization expense totaled \$12,714 and \$14,597, respectively for the years ended August 31, 2023 and 2022.

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**NOTE 8 LEASES**

**Lease Agreements - ASC 842**

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

The following tables provides quantitative information concerning the Foundation's leases.

Lease Cost:

Finance Lease Cost:	
Amortization of Right-of-Use Assets	\$ 1,140
Operating Lease Cost	144,594
Total Lease Cost	<u>\$ 145,734</u>

Other Information:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities	
Operating Cash Flows from Operating Leases	\$ 146,447
Financing Cash Flows from Financing Leases	\$ 1,140
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 578,012
Weighted-Average Remaining Leases Term - Financing Leases	2.6 years
Weighted Average Remaining Lease Term - Operating Leases	3.3 years
Weighted-Average Discount Rate - Operating Leases	3.54%

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	\$ 150,841	\$ 1,140
2025	155,366	1,140
2026	160,028	665
2027	53,603	-
Total Lease Payments	<u>519,838</u>	<u>2,945</u>
Less: Imputed Interest	<u>(29,164)</u>	<u>-</u>
Present Value of Lease Liabilities	<u>\$ 490,674</u>	<u>\$ 2,945</u>

**Lease Agreements – ASC 840**

As of August 31, 2022, the cost of leased property and equipment under capital leases was \$5,699 and accumulated depreciation was \$1,615. Total rent expense for all operating leases for the years ended August 31, 2022 totaled \$151,751.

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**NOTE 9 NET ASSETS**

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

	2023	2022
Subject to Expenditure for Specified Purpose:		
Wish Granting	\$ 325,637	\$ 225,023
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	30,961	21,624
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity	120,200	120,200
Total Endowments	151,161	141,824
Total Donor Restricted Net Assets	\$ 476,798	\$ 366,847

**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.

The Foundation's endowment consists of one individual fund at August 31, 2023 and 2022 established for a variety of purposes. 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 held for long-term purposes on the statements of financial position.

**Interpretation of Relevant Law**

The board of directors of the Foundation has interpreted the Oregon 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:

<u>August 31, 2023</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Endowment Fund	\$ -	\$ 151,161	\$ 151,161
<u>August 31, 2022</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Endowment Fund	\$ -	\$ 141,824	\$ 141,824

Changes in endowment fund is as follows for the years ended August 31:

<u>August 31, 2023</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Fund - Beginning of Year	\$ -	\$ 141,824	\$ 141,824
Investment Return:			
Investment Income, Net	-	1,600	1,600
Net Appreciation (Realized and Unrealized)	-	7,737	7,737
Endowment Fund - End of Year	<u>\$ -</u>	<u>\$ 151,161</u>	<u>\$ 151,161</u>
<u>August 31, 2022</u>			
Endowment Funds - Beginning of Year	\$ -	\$ 168,464	\$ 168,464
Investment Return:			
Investment Income	-	2,968	2,968
Net Appreciation (Realized and Unrealized)	-	(29,608)	(29,608)
Endowment Fund - End of Year	<u>\$ -</u>	<u>\$ 141,824</u>	<u>\$ 141,824</u>

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**NOTE 10 ENDOWMENTS (CONTINUED)**

**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, 2023 and 2022.

**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 funds 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(s). 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.

**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 5% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**NOTE 11 RETIREMENT PLAN**

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of one year of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 6% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2023 and 2022 were \$48,180 and \$44,421, 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 \$1,341,012 were received from two donors for the year ended August 31, 2023, which represents 23% of raised revenue, which consists of total public support and gross internal special event revenue. There was no contribution concentration for the year ended August 31, 2022. Should these contribution levels decrease, the Foundation may be adversely affected.

For the years ended August 31, 2023 and 2022, one donor represents 99% and 97% of the contributions receivable balance, respectively.

**NOTE 13 COMMITMENTS**

The goal of the Foundation is to grant the wish of every eligible child. During the years ending August 31, 2023 and 2022, the Foundation granted 270 and 207 wishes, respectively. As of August 31, 2023 and 2022, respectively, there were approximately 340 and 335 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2023 was \$6,844 in cash and \$6,379 in in-kind for a total cost of \$13,223. The average cost of a wish for the year ended August 31, 2022 was \$6,403 in cash and \$3,314 in in-kind for a total cost of \$9,717.

**NOTE 14 RISKS AND UNCERTAINTIES**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) began. On March 10, 2020, in conjunction with the Make-A-Wish America National Medical Advisory Council (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, 2023. Prior to fiscal year 2020, travel wishes have been approximately 83% of wishes granted and the number of granted wishes averaged approximately 260. The number of wishes granted during the years ended August 31, 2023 and 2022 was 270 and 207, respectively.

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

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**NOTE 15 PAYCHECK PROTECTION PROGRAM**

The Foundation applied for and was approved for a \$228,897 loan under the second round of Paycheck Protection Program funding created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan was received on February 19, 2021. The loan accrued interest at 1%, with the first 10 months of interest deferred, has a term of five years and is unsecured and guaranteed by the Small Business Administration. The Foundation was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Foundation received forgiveness of \$228,897 on October 19, 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 16 EMPLOYEE RETENTION CREDIT**

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. During the year ended August 31, 2022, the Foundation applied for Employee Retention Credit (ERC) grant funding from the Internal Revenue Service (IRS). The Foundation recognized \$53,507 of grant revenue related to performance requirements being met in compliance with the program during the year ended August 31, 2022.

Eligibility and conditions for the ERC program may be audited by the IRS. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; management is of the opinion that any audit 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 April 2, 2024, the date at which the financial statements were available to be issued.



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