

**MAKE-A-WISH FOUNDATION® OF
CENTRAL NEW YORK, INC.**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2022 AND 2021



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**MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Central New York, Inc.
East Syracuse, New York

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Make-A-Wish Foundation® of Central New York, Inc. as of August 31, 2022 and 2021, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Make-A-Wish Foundation® of Central New York, Inc. 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 Central New York, Inc.'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 Central New York, Inc.'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 Central New York, Inc.'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
March 21, 2023

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash and Cash Equivalents	\$ 447,294	\$ 441,495
Investments	509,060	256,741
Due from Related Entities	36,705	20,564
Prepaid Expenses	67,583	95,410
Contributions Receivable, Net	55,263	24,022
Other Assets	-	57,181
Property and Equipment, Net	428,164	415,037
Beneficial Interest in Assets Held by National	155,186	188,948
	\$ 1,699,255	\$ 1,499,398
Total Assets		
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 84,378	\$ 53,427
Paycheck Protection Program	-	115,882
Due to Related Entities	12,876	-
Other Liabilities	55,813	-
Total Liabilities	153,067	169,309
NET ASSETS		
Without Donor Restrictions	1,197,056	833,259
With Donor Restrictions	349,132	496,830
Total Net Assets	1,546,188	1,330,089
Total Liabilities and Net Assets	\$ 1,699,255	\$ 1,499,398

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 1,365,522	\$ -	\$ 1,365,522
Contributions, Donated Goods and Services	122,677	47,263	169,940
Grants	43,040	-	43,040
Total Public Support	1,531,239	47,263	1,578,502
Internal Special Events, Cash	267,088	-	267,088
Internal Special Events, Donated Goods and Services	9,189	-	9,189
Less: Costs of Direct Benefits to Donors	(73,707)	-	(73,707)
Total Internal Special Events	202,570	-	202,570
Investment Income, Net	(8,746)	-	(8,746)
Forgiveness of Paycheck Protection Program Loan	115,882	-	115,882
Other Income	275	-	275
Change in Value of Beneficial Interest	-	(33,762)	(33,762)
Net Assets Released from Restrictions	161,199	(161,199)	-
Total Revenues, Gains, and Other Support	2,002,419	(147,698)	1,854,721
EXPENSES			
Program Services:			
Wish Granting	1,091,330	-	1,091,330
Support Services:			
Fundraising	336,869	-	336,869
Management and General	208,432	-	208,432
Total Support Services	545,301	-	545,301
Total Expenses	1,636,631	-	1,636,631
OTHER (GAINS) LOSSES			
Cost of Goods Sold	313	-	313
Losses on Sale of Equipment	1,678	-	1,678
Total Other (Gains) Losses	1,991	-	1,991
CHANGE IN NET ASSETS	363,797	(147,698)	216,099
Net Assets - Beginning of Year	833,259	496,830	1,330,089
NET ASSETS - END OF YEAR	\$ 1,197,056	\$ 349,132	\$ 1,546,188

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 722,700	\$ 20,422	\$ 743,122
Contributions, Donated Goods and Services	66,347	-	66,347
Grants	82,603	-	82,603
Total Public Support	871,650	20,422	892,072
Internal Special Events, Cash	227,531	118,604	346,135
Internal Special Events, Donated Goods and Services	213	-	213
Less: Costs of Direct Benefits to Donors	(33,749)	-	(33,749)
Total Internal Special Events	193,995	118,604	312,599
Investment Income, Net	9,329	11,144	20,473
Forgiveness of Paycheck Protection Program Loan	115,882	-	115,882
Change in Beneficial Interest	-	23,150	23,150
Net Assets Released from Restrictions	198,326	(198,326)	-
Total Revenues, Gains, and Other Support	1,389,182	(25,006)	1,364,176
EXPENSES			
Program Services:			
Wish Granting	689,939	-	689,939
Support Services:			
Fundraising	360,768	-	360,768
Management and General	225,317	-	225,317
Total Support Services	586,085	-	586,085
Total Expenses	1,276,024	-	1,276,024
CHANGE IN NET ASSETS	113,158	(25,006)	88,152
Net Assets - Beginning of Year	720,101	521,836	1,241,937
NET ASSETS - END OF YEAR	\$ 833,259	\$ 496,830	\$ 1,330,089

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2022

	Program Services	Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services		
Direct Costs of Wishes	\$ 719,993	\$ -	\$ -	\$ -	\$ -	\$ 719,993
Salaries, Taxes, and Benefits	239,665	226,483	133,014	359,497	-	599,162
Printing, Subscriptions, and Publications	9,288	17,316	3,218	20,534	-	29,822
Professional Fees	1,565	5,041	22,118	27,159	-	28,724
Rent and Utilities	8,442	7,978	4,685	12,663	-	21,105
Postage and Delivery	1,914	4,495	450	4,945	-	6,859
Travel	93	519	1,690	2,209	-	2,302
Meetings and Conferences	240	761	1,056	1,817	-	2,057
Office Supplies	10,043	19,484	3,724	23,208	-	33,251
Communications	4,139	3,157	2,960	6,117	-	10,256
Advertising and Media (Cash)	-	2,509	-	2,509	-	2,509
Repairs and Maintenance	915	865	508	1,373	-	2,288
Membership Dues	110	1,884	623	2,507	-	2,617
National Partnership Dues	83,240	15,030	17,342	32,372	-	115,612
Miscellaneous	4,367	22,833	12,983	35,816	-	40,183
Depreciation and Amortization	7,316	6,914	4,061	10,975	-	18,291
Bad Debt Expense	-	1,600	-	1,600	-	1,600
Special Event Expenses	-	-	-	-	73,707	73,707
Total	1,091,330	336,869	208,432	545,301	73,707	1,710,338
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(73,707)	(73,707)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 1,091,330</u>	<u>\$ 336,869</u>	<u>\$ 208,432</u>	<u>\$ 545,301</u>	<u>\$ -</u>	<u>\$ 1,636,631</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2021

	Program Services	Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services		
Direct Costs of Wishes	\$ 313,995	\$ -	\$ -	\$ -	\$ -	\$ 313,995
Salaries, Taxes, and Benefits	224,036	261,357	189,066	450,423	-	674,459
Printing, Subscriptions, and Publications	11,768	26,067	1,847	27,914	-	39,682
Professional Fees	1,149	6,599	5,718	12,317	-	13,466
Rent and Utilities	10,466	1,958	3,356	5,314	-	15,780
Postage and Delivery	5,766	4,101	295	4,396	-	10,162
Travel	441	585	-	585	-	1,026
Meetings and Conferences	914	-	61	61	-	975
Office Supplies	6,226	29,009	1,633	30,642	-	36,868
Communications	7,911	1,483	502	1,985	-	9,896
Advertising and Media (Cash)	-	2,391	200	2,591	-	2,591
Advertising and Media (In-Kind)	3,333	-	-	-	-	3,333
Repairs and Maintenance	3,340	626	3,203	3,829	-	7,169
Membership Dues	-	1,908	985	2,893	-	2,893
National Partnership Dues	68,060	12,289	14,180	26,469	-	94,529
Information Technology	33	395	415	810	-	843
Miscellaneous	6,678	4,921	2,930	7,851	-	14,529
Depreciation and Amortization	14,821	2,779	926	3,705	-	18,526
Bad Debt Expense	11,002	4,300	-	4,300	-	15,302
Special Event Expenses	-	-	-	-	33,749	33,749
Total	689,939	360,768	225,317	586,085	33,749	1,309,773
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(33,749)	(33,749)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 689,939	\$ 360,768	\$ 225,317	\$ 586,085	\$ -	\$ 1,276,024

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 216,099	\$ 88,152
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization	18,291	18,526
Forgiveness of Paycheck Protection Program Loan	(115,882)	(115,882)
Bad Debt Expense and Other	1,600	15,302
Net Realized and Unrealized (Gains) Losses on Investments	21,988	(38,857)
Loss on Disposal of Property and Equipment	1,678	-
Change in Value of Split-Interest Agreements	33,762	(23,150)
(Increase) Decrease in Assets:		
Contributions Receivable	(32,841)	35,181
Due from Related Entities	(16,141)	13,607
Prepaid Expenses	27,827	22,347
Other Assets	57,181	(796)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	30,951	39,489
Due to Related Entities	12,876	(64,748)
Other Liabilities	55,813	-
Net Cash Provided (Used) by Operating Activities	313,202	(10,829)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(300,078)	-
Proceeds from Sales of Investments	25,771	25,960
Purchases of Property and Equipment	(33,096)	(15,112)
Net Cash Provided (Used) by Investing Activities	(307,403)	10,848
CASH FLOWS FROM FINANCING ACTIVITIES		
Net Proceeds from Line of Credit	-	(12,376)
Proceeds from Payroll Protection Plan Loan	-	115,882
Net Cash Provided by Financing Activities	-	103,506
NET INCREASE IN CASH AND CASH EQUIVALENTS	5,799	103,525
Cash and Cash Equivalents - Beginning of Year	441,495	337,970
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 447,294	\$ 441,495

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Central New York, Inc. (the Foundation) is a New York State 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 CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment, Net

Property and equipment having a unit cost of greater than \$500 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Property and equipment under capital leases are stated at the present value of future minimum lease payments at the time of acquisition. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 40 years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the leases. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

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

Fair Value Measurements

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

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

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

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

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

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

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

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

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

Revenue Recognition

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

Special event revenue consists of registrations, sponsorships, and other contributions. The exchange element of the special event revenue was approximately \$74,000 and \$34,000 for the years ended August 31, 2022 and 2021, respectively. The portion that is considered to be exchange revenue is recognized as revenue when the performance obligations are met which is the occurrence of the event.

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

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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

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

<u>August 31, 2022</u>	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Wish Related	\$ 179,621	\$ -	\$ -	\$ 179,621
Other	-	1,520	-	1,520
Total	<u>\$ 179,621</u>	<u>\$ 1,520</u>	<u>\$ -</u>	181,141
Internal Special Events				9,189
Other Assets, Net Change				(58,464)
Contribution Receivable, Net Change				47,263
Total				<u>\$ 179,129</u>
<u>August 31, 2021</u>				
Wish Related	\$ 47,463	\$ -	\$ -	\$ 47,463
Advertising and Media	3,333	-	-	3,333
Other	4,357	11,006	188	15,551
Total	<u>\$ 55,153</u>	<u>\$ 11,006</u>	<u>\$ 188</u>	66,347
Internal Special Events				213
Total				<u>\$ 66,560</u>

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

An internal special event is a fund-raising event coordinated and staffed by Foundation personnel rather than a third-party support group or organization. It is designed to attract people for the purpose of raising mission awareness, for increasing funding from existing donors, and the cultivation of future donors. Internal special event in-kind amounts are donated items recorded at fair value that are used in facilitating the event. Examples of such donated items are generally food, beverage, facility costs, and auction items. The Foundation estimates the fair value of these donated items based on the current market rates for similar items in the Foundation's market. The Foundation receives auction items to be sold at its special events. Contributed auction items are valued at the gross selling price received and the value is included in internal special event revenue on the statement of activities. The amount of auction items received and sold during the years ended August 31, 2022 and 2021 totaled \$14,263 and \$10,714, respectively.

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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 New York State taxes under the provisions of Internal Revenue Code Section 501(c)(3) and exempt from the New York State corporation franchise tax under Tax Law Article 9-A regulations, Section 1-3.4(b)(6), Article 7A and the Estates, Powers and Trusts Law (EPTL) Section 8-1.4 of the New York State Department of Law Charities Bureau. However, the Foundation remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

Management believes that no uncertain tax positions exist for the Foundation at August 31, 2022 and 2021. The Foundation files income tax returns in the U.S. federal jurisdiction, and New York State.

Functional Expenses

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

Wish Granting

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

Fundraising

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

Management and General

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

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

MAKE-A-WISH FOUNDATION® OF CENTRAL NEW YORK, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2022 AND 2021

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Estimates

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

Adoption of Accounting Pronouncement

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

Accounting Pronouncement Not Yet Effective

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

NOTE 3 LIQUIDITY AND AVAILABILITY

The Foundation monitors liquidity regularly through the monthly financial package provided to the board and through the enterprise-wide Benchmarks of Excellence. Holding 6 to 24 months of liquidity is considered excellent based off the enterprise-wide published scale.

	<u>2022</u>	<u>2021</u>
Total Financial Assets	\$ 1,048,322	\$ 742,822
Donor-Imposed Restrictions:		
Restricted Funds	<u>(193,946)</u>	<u>(325,024)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 854,376</u>	<u>\$ 417,798</u>

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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.

The Foundation ensures its ability to meet all expected or unexpected cash flow needs by investing in liquid securities that can be sold readily and efficiency. The Foundation also has a line of credit. See Note 9 for information about this arrangement.

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, 2022 and 2021 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

Overall Investment Objective

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

Investments (Continued)

Allocation of Investment Strategies

In addition to traditional stocks and fixed income securities, the Foundation may also hold shares or units in traditional institutional funds as well as in alternative investment funds involving hedged strategies, private equity, and real asset strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments, and are valued accordingly. Private equity funds employ buy-out and venture capital strategies and focus on investments in turn-around situations. Real estate funds generally hold interests in public real estate investment trusts (REITS) or commercial real estate through sole-member entities. Private equity and real asset strategies therefore often require the estimation of fair values by the fund managers in the absence of readily determinable market values. Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and the differences could be material.

Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. Moreover, the fair values of the Foundation's interests in shares or units of these funds, because of liquidity and capital commitment terms that vary depending on the specific fund or partnership agreement, may differ from the fair value of the funds' underlying net assets.

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy

The following table presents the fair value hierarchy of assets at August 31:

	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Investments not Held at Fair Value	Total
August 31, 2022					
Assets					
Investments:					
Mutual Funds	\$ 133,268	\$ -	\$ -	\$ -	\$ 133,268
Certificates of Deposit	-	19,988	-	-	19,988
Cash	-	-	-	355,804	355,804
Total Investments	<u>133,268</u>	<u>19,988</u>	<u>-</u>	<u>355,804</u>	<u>509,060</u>
Beneficial Interest in Assets					
Held by National	-	-	155,186	-	155,186
Total Assets	<u>\$ 133,268</u>	<u>\$ 19,988</u>	<u>\$ 155,186</u>	<u>\$ 355,804</u>	<u>\$ 664,246</u>
August 31, 2021					
Assets					
Investments:					
Mutual Funds	\$ 224,055	\$ -	\$ -	\$ -	\$ 224,055
Certificates of Deposit	-	21,296	-	-	21,296
Cash	-	-	-	11,390	11,390
Total Investments	<u>224,055</u>	<u>21,296</u>	<u>-</u>	<u>11,390</u>	<u>256,741</u>
Beneficial Interest in Assets					
Held by National	-	-	188,948	-	188,948
Total Assets	<u>\$ 224,055</u>	<u>\$ 21,296</u>	<u>\$ 188,948</u>	<u>\$ 11,390</u>	<u>\$ 445,689</u>

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

Quantitative Information About Level 3 Fair Value Measurements			
Type of Assets	Fair Value at August 31, 2022	Principal Valuation Technique	Unobservable Inputs
Beneficial Interest in Assets Held by National	<u>\$ 155,186</u>	Fair Value of Assets	Value of Underlying Assets
Type of Assets	Fair Value at August 31, 2021	Principal Valuation Technique	Unobservable Inputs
Beneficial Interest in Assets Held by National	<u>\$ 188,948</u>	Fair Value of Assets	Value of Underlying Assets

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NOTE 5 CONTRIBUTIONS RECEIVABLE

The Foundation's contributions receivable as of August 31, 2022 and 2021 were \$55,263 and \$24,022, respectively, which are due from three and six donors, respectively. All contributions receivable are due within the next 12 months. Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at August 31, 2022 and 2021.

NOTE 6 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS

The Foundation has a beneficial interest in assets held by National. This interest consists of funds contributed to the Wishes Forever Endowment Fund at National Organization. The original corpus is not redeemable by the Foundation at any time. Distributions from earnings will be made by the National Organization to the Foundation according to the National Organization's Endowment Spending Policy. The Foundation's beneficial interest in this endowment being held by the National Organization is \$155,186 and \$188,948 as of August 31, 2022 and 2021, respectively.

NOTE 7 TRANSACTIONS WITH RELATED ENTITIES

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel, and training scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the years ended August 31, 2022 and 2021, respectively, the Foundation received \$354,546 and \$372,014 from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amount totaling \$148,638 and \$94,529 were paid from the Foundation to the National Organization during the years ended August 31, 2022 and 2021, respectively.

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NOTE 7 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 \$100 and \$300, respectively, for the years ended August 31, 2022 and 2021, which is recorded in the accompanying statements of activities as other income.

Amounts due from and to related entities are as follows:

	<u>2022</u>	<u>2021</u>
Due from National Organization	\$ 35,365	\$ 20,075
Due from Other Chapters	1,340	489
Total Due from Related Entities	<u>\$ 36,705</u>	<u>\$ 20,564</u>
Due to National Organization	\$ 5,215	\$ -
Due to Other Chapters	7,661	-
Total Due to Related Entities	<u>\$ 12,876</u>	<u>\$ -</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 year ended August 31, 2022 and 2021, the Foundation received contributions, both cash and in-kind, from board members totaling \$9,791 and \$9,037, respectively.

NOTE 8 PROPERTY AND EQUIPMENT, NET

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

	<u>2022</u>	<u>2021</u>
Land	\$ 250,000	\$ 250,000
Buildings and Building Improvements	210,527	203,724
Computer Equipment and Software	76,209	88,465
Office Furniture and Other Equipment	170,948	156,808
Total	707,684	698,997
Less: Accumulated Depreciation	(279,520)	(283,960)
Property and Equipment, Net	<u>\$ 428,164</u>	<u>\$ 415,037</u>

Depreciation and amortization expense totaled \$18,291 and \$18,526 for the years ended August 31, 2022 and 2021, respectively.

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NOTE 9 LINE OF CREDIT

The Foundation has an unsecured line of credit with a financial institution totaling \$100,000, bearing interest at the bank's prime rate plus 1.5% (7.0% at August 31, 2022). There were no outstanding borrowings on this line of credit as of August 31, 2022 and 2021.

NOTE 10 NET ASSETS

Net Assets With Donor Restrictions

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

	2022	2021
Subject to Expenditure for Specified Purpose:		
Capital Campaign	\$ 145,682	\$ 145,682
Wish Granting	47,264	-
Special Events	-	145,854
Donor Restricted	-	10,000
Subject to Passage of Time:		
Promises to Give that are not Restricted by Donors, but which are Unavailable for Expenditure until Due	1,000	23,488
Subtotal	193,946	325,024
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
Beneficial Interest in Assets Held by National	155,186	171,806
Subtotal	155,186	171,806
 Total Donor Restricted Net Assets	 \$ 349,132	 \$ 496,830

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 Internal Revenue Code limitations. The Foundation matches employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2022 and 2021 were \$16,346 and \$18,042, 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 \$200,000 was received from a single donor for the year ended August 31, 2022 which represents 11% of raised revenue which consists of total public support and gross internal special event revenue. There was no significant revenue concentration applicable to the year ended August 31, 2021. Should this contribution level decrease, the Foundation may be adversely affected.

NOTE 13 LITIGATION AND CLAIMS

The Foundation may be periodically involved in litigation and claims arising in the ordinary course of business. Management is not aware of any such matters 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 fiscal years ended August 31, 2022 and 2021, the Foundation granted 59 and 32 wishes, respectively. As of August 31, 2022 and 2021, there were approximately 180 and 190 wish children who are eligible for a wish, respectively. The average cost of a wish for the fiscal year ended August 31, 2022 was \$7,995 in cash and \$2,142 in in-kind for a total of \$10,137. The average wish cost of a wish for the fiscal year ended August 31, 2021 was \$8,804 in cash and \$1,451 in in-kind for a total cost of \$10,255.

NOTE 15 RISKS AND UNCERTAINTIES

In December 2019, an outbreak of a novel strain of Coronavirus (COVID-19) began. On March 10, 2020, in conjunction with the Make-A-Wish America National Medical Advisory Council (NMAC), Make-A-Wish America issued instructions to pause travel and large gathering wishes until deemed medically safe for our vulnerable population and their families. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic.

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NOTE 15 RISKS AND UNCERTAINTIES (CONTINUED)

As of September 15, 2021, in consultation with the NMAC, the pause on domestic travel to large gatherings was lifted, if travel occurred by automobile. The pause on airline travel was lifted December 1, 2021 with a graduated approach with full domestic travel resuming June of 2022. International and cruise wish travel is still paused as of August 31, 2022. Prior to fiscal year 2020, travel wishes have been approximately 78% of wishes granted and the number of granted wishes averaged approximately 54. The number of wishes granted during the years ended August 31, 2022 and 2021 was 59 and 32, respectively.

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

NOTE 16 PAYCHECK PROTECTION PROGRAM

The Foundation applied for and was approved a \$115,882 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan was received on April 17, 2020. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the federal government. The Foundation received forgiveness of \$115,882 on May 18, 2021.

Under the second round of Paycheck Protection Program funding, the Foundation applied for and was approved for an additional \$115,882 loan. The loan was received on February 26, 2021. The loan accrues interest at 1%, with the first 10 months of interest deferred, has a term of five years and is unsecured and guaranteed by the Small Business Administration. The Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Foundation received forgiveness of \$115,882 on October 26, 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 21, 2023, the date at which the financial statements were available to be issued.



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