MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2022 AND 2021

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of the Hudson Valley
Tarrytown, New York

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Make-A-Wish Foundation® of the Hudson Valley (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 the Hudson Valley 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 the Hudson Valley 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 the Hudson Valley'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 the Hudson Valley'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 the Hudson Valley's ability to continue as a going concern for a reasonable period of time.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Phoenix, Arizona
February 7, 2023

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2022 AND 2021

	2022	2021
ASSETS		
Cash and Cash Equivalents	$ 202,118	$ 248,885
Investments	1,467,287	1,633,731
Due from Related Entities	59,100	40,249
Prepaid Expenses	60,266	80,016
Contributions Receivable, Net	82,372	-
Other Assets	21,828	23,973
Investments Held for Long-Term Purposes	4,303	4,303
Property and Equipment, Net	31,535	47,496
Total Assets	$ 1,928,809	$ 2,078,653
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 82,657	$ 70,930
Due to Related Entities	10,987	1,209
Other Liabilities	5,525	3,250
Deferred Rent	13,777	28,317
Capital Lease Obligations	18,891	24,415
Paycheck Protection Program	-	150,000
Total Liabilities	131,837	278,121
NET ASSETS		
Without Donor Restrictions	1,710,297	1,794,724
With Donor Restrictions	86,675	5,808
Total Net Assets	1,796,972	1,800,532
Total Liabilities and Net Assets	$ 1,928,809	$ 2,078,653

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	$ 1,562,620	$ -	$ 1,562,620
Contributions, Donated Goods and Services	403,100	82,372	485,472
Grants	111,024	-	111,024
Total Public Support	2,076,744	82,372	2,159,116
Internal Special Events, Cash	580,641	-	580,641
Internal Special Events, Donated Goods and Services	3,214	-	3,214
Less: Costs of Direct Benefits to Donors	(136,072)	-	(136,072)
Total Internal Special Events	447,783	-	447,783
Investment Income, Net	(166,444)	-	(166,444)
Forgiveness of Paycheck Protection Program Loan	150,000	-	150,000
Other Income	1,450	-	1,450
Net Assets Released from Restrictions	1,505	(1,505)	-
Total Revenues, Gains, and Other Support	2,511,038	80,867	2,591,905
EXPENSES			
Program Services:			
Wish Granting	1,733,522	-	1,733,522
Support Services:			
Fundraising	416,828	-	416,828
Management and General	445,115	-	445,115
Total Support Services	861,943	-	861,943
Total Expenses	2,595,465	-	2,595,465
CHANGE IN NET ASSETS	(84,427)	80,867	(3,560)
Net Assets - Beginning of Year	1,794,724	5,808	1,800,532
NET ASSETS - END OF YEAR	$ 1,710,297	$ 86,675	$ 1,796,972

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	$ 1,662,132	$ 1,505	$ 1,663,637
Contributions, Donated Goods and Services	78,606	-	78,606
Grants	146,493	-	146,493
Total Public Support	1,887,231	1,505	1,888,736
Internal Special Events, Cash	94,298	-	94,298
Internal Special Events, Donated Goods and Services	1,200	-	1,200
Less: Costs of Direct Benefits to Donors	(10,603)	-	(10,603)
Total Internal Special Events	84,895	-	84,895
Investment Income, Net	100,478	-	100,478
Forgiveness of Paycheck Protection Program Loan	162,793		162,793
Other Income	1,038	-	1,038
Net Assets Released from Restrictions	8,000	(8,000)	-
Total Revenues, Gains, and Other Support	2,244,435	(6,495)	2,237,940
EXPENSES			
Program Services:			
Wish Granting	1,191,949	-	1,191,949
Support Services:			
Fundraising	370,972	-	370,972
Management and General	394,570	-	394,570
Total Support Services	765,542	-	765,542
Total Expenses	1,957,491	-	1,957,491
CHANGE IN NET ASSETS	286,944	(6,495)	280,449
Net Assets - Beginning of Year	1,507,780	12,303	1,520,083
NET ASSETS - END OF YEAR	$ 1,794,724	$ 5,808	$ 1,800,532

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2022

	Program Services	Support Services				
	Wish Granting	Fundraising	Management and General	Total Support Services	Direct Donor Benefits	Total
Direct Costs of Wishes	$ 987,616	$ -	$ -	$ -	$ -	$ 987,616
Salaries, Taxes, and Benefits	494,705	242,095	272,516	514,611	-	1,009,316
Printing, Subscriptions, and Publications	1,801	33,570	8,230	41,800	-	43,601
Professional Fees	18,322	11,764	55,385	67,149	-	85,471
Rent and Utilities	61,918	30,327	34,119	64,446	-	126,364
Postage and Delivery	4,494	3,446	1,199	4,645	-	9,139
Travel	27	-	3,303	3,303	-	3,330
Meetings and Conferences	1,745	15,443	15,607	31,050	-	32,795
Office Supplies	10,314	2,167	1,639	3,806	-	14,120
Communications	6,277	2,740	3,232	5,972	-	12,249
Advertising and Media (Cash)	-	16,413	-	16,413	-	16,413
Repairs and Maintenance	145	71	79	150	-	295
Membership Dues	531	5,255	683	5,938	-	6,469
National Partnership Dues	130,730	23,604	27,235	50,839	-	181,569
Miscellaneous	7,076	26,102	17,579	43,681	-	50,757
Depreciation and Amortization	7,821	3,831	4,309	8,140	-	15,961
Special Event - Direct Donor Benefits	-	-	-	-	136,072	136,072
Total Expenses by Function	1,733,522	416,828	445,115	861,943	136,072	2,731,537
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(136,072)	(136,072)
Total Expenses Included in the Expense Section of the Statement of Activities	$ 1,733,522	$ 416,828	$ 445,115	$ 861,943	$ -	$ 2,595,465

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2021

	Program Services	Support Services				
	Wish Granting	Fundraising	Management and General	Total Support Services	Direct Donor Benefits	Total
Direct Costs of Wishes	$ 506,380	$ -	$ -	$ -	$ -	$ 506,380
Salaries, Taxes, and Benefits	481,942	251,012	271,093	522,105	-	1,004,047
Printing, Subscriptions, and Publications	648	34,459	2,196	36,655	-	37,303
Professional Fees	5,518	4,563	40,765	45,328	-	50,846
Rent and Utilities	61,959	32,270	34,853	67,123	-	129,082
Postage and Delivery	3,182	3,004	1,187	4,191	-	7,373
Meetings and Conferences	549	2,551	1,906	4,457	-	5,006
Office Supplies	3,080	1,482	2,662	4,144	-	7,224
Communications	4,945	2,251	4,020	6,271	-	11,216
Advertising and Media (Cash)	-	977	-	977	-	977
Repairs and Maintenance	206	107	116	223	-	429
Membership Dues	507	264	723	987	-	1,494
National Partnership Dues	104,225	18,818	21,714	40,532	-	144,757
Miscellaneous	7,571	13,361	7,014	20,375	-	27,946
Depreciation and Amortization	11,237	5,853	6,321	12,174	-	23,411
Special Event - Direct Donor Benefits	-	-	-	-	10,603	10,603
Total Expenses by Function	1,191,949	370,972	394,570	765,542	10,603	1,968,094
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(10,603)	(10,603)
Total Expenses Included in the Expense Section of the Statement of Activities	$ 1,191,949	$ 370,972	$ 394,570	$ 765,542	$ -	$ 1,957,491

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF THE HUDSON VALLEY
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2022 AND 2021

	2022	2021
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (3,560)	$ 280,449
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization	15,961	23,411
Forgiveness of Paycheck Protection Program Loan	(150,000)	(162,793)
Net Realized and Unrealized (Gains) Losses on Investments	192,821	(78,420)
Contributed Prepaid Expenses and Other Assets	3,686	(6,780)
(Increase) Decrease in Assets:		
Contributions Receivable	(82,372)	-
Due from Related Entities	(18,851)	(13,349)
Prepaid Expenses	18,550	(9,920)
Other Assets	(341)	(9,977)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	11,727	39,172
Due to Related Entities	9,778	(2,713)
Other Liabilities	2,275	(92,290)
Deferred Rent	(14,540)	8,266
Net Cash Used by Operating Activities	(14,866)	(24,944)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(360,432)	(337,986)
Proceeds from Sales of Investments	334,055	304,187
Purchases of Property and Equipment	-	(21,085)
Net Cash Used by Investing Activities	(26,377)	(54,884)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Capital Lease Obligations	(5,524)	(4,758)
Proceeds from Paycheck Protection Program Loan	-	150,000
Net Cash Provided (Used) by Financing Activities	(5,524)	145,242
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(46,767)	65,414
Cash and Cash Equivalents - Beginning of Year	248,885	183,471
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 202,118	$ 248,885
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid for Interest Expense	1,355	$ 3,848
Contributed Prepaid Expenses and Other Assets	$ (3,686)	$ 6,780

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of the Hudson Valley (the Foundation) is a New York 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 (the National Organization), which develops and implements national programs in public relations and fundraising for the benefit of all local chapters. To be a Make-A-Wish chapter, the local chapter is obligated to comply with a chapter agreement with the National Organization and such guidelines, resolutions, and policies as may be adopted by the National Organization's board of directors.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP) applicable to nonprofit entities.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Investments

Investments are recorded at fair value. Investment income, including gains and losses on investments, is recorded as increases or decreases in net assets without donor restrictions unless its use is limited by donor-imposed restrictions or law.

The Foundation's investments are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investments, it is reasonably possible that those changes in the values of investments will occur in the near term and that such changes could be material to the amounts reported in the statements of financial position.

Contributions Receivable

Contributions receivable are unconditional promises to give. Such promises that are expected to be collected within one year are recorded at expected net realizable value when the promise is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows. Contributions receivable are discounted using fair value rates and contributions are written off when deemed uncollectible.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment, Net

Property and equipment having a unit cost of greater than $500 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Property and equipment under capital leases are stated at the present value of future minimum lease payments at the time of acquisition. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 5 years. 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).

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements (Continued)

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.

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 $136,000 and $11,000 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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

Conditional promises to give are not recognized as contribution revenue and receivables until the conditions have been substantially met.

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:

	Program	Fundraising	Management and General	Total
August 31, 2022				
Wish Related	$ 400,500	$ -	$ -	$ 400,500
Other	5,580	2,720	-	8,300
Total	$ 406,080	$ 2,720	$ -	408,800
Internal Special Events				1,200
Other Assets, Net Change				(2,486)
Prepaids (Asset)				(1,200)
In-Kind Receivable (Asset), Net Change				82,372
Total				$ 488,686
August 31, 2021				
Wish Related	$ 73,026	$ -	$ -	$ 73,026
Other Assets, Net Change				5,580
Prepaids (Asset)				1,200
Total				$ 79,806

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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

An internal special event is a fundraising event coordinated and staffed by Foundation personnel rather than a third-party support group or organization. It is designed to attract people for the purpose of raising mission awareness, for increasing funding from existing donors, and the cultivation of future donors. Internal special event in-kind amounts are donated items recorded at fair value that are used in facilitating the event. Examples of such donated items are generally food, beverage, facility costs, and auction items. The Foundation estimates the fair value of these donated items based on the current market rates for similar items in the Foundation's market. The Foundation receives auction items to be sold at its special events. Contributed auction items are valued at the gross selling price received and the value is included in internal special event revenue on the statements of activities. The amount of auction items received and sold during the years ended August 31, 2022 and 2021 totaled $51,450 and $-0-, respectively.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

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

Wish Granting

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

Fundraising

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

Management and General

All costs not identifiable with 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.

Deferred Rent

The Foundation accounts for rent expense evenly over the term of the lease using the straight-line method. The unamortized deferred rent was $13,777 and $28,317 as of August 31, 2022 and 2021, respectively.

Management Estimates

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

Adoption of Accounting Pronouncement

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounting Pronouncement Not Yet Effective

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

NOTE 3 LIQUIDITY AND AVAILABILITY

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

	2022	2021
Total Financial Assets	$ 1,815,180	$ 1,927,168
Donor-Imposed Restrictions:		
Restricted Funds	(82,372)	(1,505)
Endowments	(4,303)	(4,303)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 1,728,505	$ 1,921,360

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

NOTE 4 FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

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

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value of Financial Instruments (Continued)

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.

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.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy

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

	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
August 31, 2022					
Assets					
Investments:					
Mutual Funds	$ 606,200	$ -	$ -	$ -	$ 606,200
Exchange-Traded Funds	833,327	-	-	-	833,327
Cash	-	-	-	32,063	32,063
Total Investments	$ 1,439,527	$ -	$ -	$ 32,063	$ 1,471,590
August 31, 2021					
Assets					
Investments:					
Mutual Funds	$ 639,320	$ -	$ -	$ -	$ 639,320
Exchange-Traded Funds	975,448	-	-	-	975,448
Cash	-	-	-	23,266	23,266
Total Investments	$ 1,614,768	$ -	$ -	$ 23,266	$ 1,638,034

NOTE 5 CONTRIBUTIONS RECEIVABLE

The following is a summary of the Foundation's contributions receivable at August 31:

	2022	2021
Total Amounts Due:		
Within One Year	$ 82,372	$ -

NOTE 6 TRANSACTIONS WITH RELATED ENTITIES

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel, and training scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the years ended August 31, 2022 and 2021, respectively, the Foundation received $433,461 and $519,832 from these national revenue streams.

NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amount totaling $236,202 and $187,303 were paid from the Foundation to the National Organization during the years ended August 31, 2022 and 2021, respectively.

Chapters who assist with the organization and granting of wishes from other chapters are paid a “fee for service” called the wish assist fee. Under this program, the originating chapter agrees to pay a fee to the chapter of the wish destination to assist with any planning, booking, and facilitating of the wish for the home chapter. Under this program, the Foundation received $1,450 and $450, 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 at August 31:

	2022	2021
Due from National Organization	$ 41,680	$ 40,099
Due from Other Chapters	17,420	150
Total Due from Related Entities	$ 59,100	$ 40,249
Due to National Organization	$ 105	$ 511
Due to Other Chapters	10,882	698
Total Due to Related Entities	$ 10,987	$ 1,209

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

During the years ended August 31, 2022 and 2021 the Foundation received contributions, both cash and in-kind, from board members totaling $53,020 and $32,767, respectively.

NOTE 7 PROPERTY AND EQUIPMENT, NET

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

	2022	2021
Computer Equipment and Software	$ 77,962	$ 82,836
Office Furniture and Other Equipment	39,665	39,665
Leasehold Improvements	31,045	31,045
Total	148,672	153,546
Less: Accumulated Depreciation and Amortization	(117,137)	(106,050)
Property and Equipment, Net	$ 31,535	$ 47,496

Depreciation and amortization expense totaled $15,961 and $23,411, respectively, for the years ended August 31, 2022 and 2021.

NOTE 8 NOTES PAYABLE

The Foundation has line of credit with a financial institution totaling $250,000, bearing interest at the Bank's prime rate plus 1.00% per annum, or the floor rate of 4.50%, and expires on January 31, 2023. The interest rate at August 31, 2022 and 2021 was 6.50% and 4.50%, respectively. There was no outstanding balance on this line of credit as of August 31, 2022 and 2021. The line of credit is subject to various financial and nonfinancial covenants.

NOTE 9 LEASES

The Foundation is obligated under various capital and operating leases for offices and equipment, which expire at various dates through August 31, 2025. As of August 31, 2022 and 2021, the cost of leased property and equipment under a capital lease was $29,592, and accumulated depreciation was $12,823 and $6,905, respectively. Total rent expense for operating leases totaled $120,306 for both of the years ended August 31, 2022 and 2021.

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

Year Ending August 31.	Operating Leases	Capital Leases
2023	$ 100,255	$ 6,948
2024	-	6,948
2025	-	6,948
Total Minimum Lease Payments	100,255	20,844
Less: Amounts Representing Interest	-	(1,953)
Present Value of Net Minimum Lease Payments	$ 100,255	$ 18,891

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:		
Wish Granting	$ 82,372	$ -
Disney Postage Grant	-	1,505
Total	82,372	1,505
Endowments:		
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
Investments in Perpetuity, the Income from Which is Expendable to Support any Activities of the Foundation	4,303	4,303
Total Donor-Restricted Net Assets	$ 86,675	$ 5,808

NOTE 11 ENDOWMENTS

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

The Foundation's endowment consists of one donor-restricted fund. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets, both donor-restricted and board-designated, are reflected as investments held for long-term purposes on the statements of financial position.

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the New York UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as donor-restricted net assets: (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulated earnings on the donor-restricted endowment funds. The accumulated earnings on the endowment funds remain treated as donor-restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

NOTE 10 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

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

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

	Without Donor Restrictions	With Donor Restrictions	Total
August 31, 2022			
Donor-Restricted Endowment Funds	$ -	$ 4,303	$ 4,303
August 31, 2021			
Donor-Restricted Endowment Funds	$ -	$ 4,303	$ 4,303

There were no changes in endowment net assets for the years ended August 31, 2022 and 2021.

NOTE 12 RETIREMENT PLAN

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of 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 $20,991 and $21,671, respectively.

NOTE 13 CONCENTRATIONS OF CREDIT RISK

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

Cash contributions totaling $358,800 were received from a single donor for the year ended August 31, 2021, which represent 19% of total public support. There was no cash contribution concentration for the year ended August 31, 2022. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 14 LITIGATION AND CLAIMS

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

NOTE 15 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the years ended August 31, 2022 and 2021, the Foundation granted 87 and 76 wishes, respectively. As of August 31, 2022 and 2021, respectively, there were approximately 250 and 230 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2022 was $7,535 in cash and $5,302 in in-kind for a total cost of $12,837. The average cost of a wish for the year ended August 31, 2021 was $5,956 in cash and $1,031 in in-kind for a total cost of $6,987.

NOTE 16 RISKS AND UNCERTAINTIES

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

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 72% of wishes granted and the number of granted wishes averaged approximately 116. The number of wishes granted during the years ended August 31, 2022 and 2021 was 87 and 76, respectively.

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

NOTE 17 PAYCHECK PROTECTION PROGRAM

The Foundation applied for and was approved a $162,793 loan under the Paycheck Protection Program (PPP) created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration (SBA). The loan was received on April 29, 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 $162,793 on April 1, 2021.

Under the second round of PPP funding, the Foundation applied for and was approved for an additional $150,000 loan. The loan was received on February 18, 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 SBA. The Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Foundation received forgiveness of $150,000 on October 21, 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Foundation's financial position.

NOTE 18 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through February 7, 2023, the date at which the financial statements were available to be issued.