

**MAKE-A-WISH FOUNDATION® OF  
CENTRAL AND NORTHERN FLORIDA**

**FINANCIAL STATEMENTS**

**YEARS ENDED AUGUST 31, 2022 AND 2021**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Central and Northern Florida  
Maitland, Florida

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

#### ***Opinion***

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Central and Northern Florida (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 and Northern Florida 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 and Northern Florida 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 and Northern Florida'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 and Northern Florida'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 and Northern Florida'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**

Lakeland, Florida  
March 27, 2023

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

	2022	2021
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 5,192,134	\$ 4,178,691
Investments	2,109,860	2,491,660
Due from Related Entities	546,622	157,739
Prepaid Expenses	190,364	122,349
Contributions Receivable, Net	296,642	86,809
Accounts Receivable	3,175	165,520
Other Assets	32,600	108,066
Property and Equipment, Net	79,886	89,393
Total Assets	\$ 8,451,283	\$ 7,400,227
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 732,293	\$ 322,936
Due to Related Entities	71,695	66,354
Other Liabilities	3,735	8,109
Deferred Rent	17,839	16,758
Capital Lease Obligations	38,454	45,202
Paycheck Protection Program	-	222,687
Total Liabilities	864,016	682,046
<b>NET ASSETS</b>		
Without Donor Restrictions	7,288,382	6,620,128
With Donor Restrictions	298,885	98,053
Total Net Assets	7,587,267	6,718,181
Total Liabilities and Net Assets	\$ 8,451,283	\$ 7,400,227

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Cash	\$ 3,842,431	\$ -	\$ 3,842,431
Contributions, Donated Goods, and Services	871,813	183,614	1,055,427
Grants	158,368	-	158,368
Total Public Support	4,872,612	183,614	5,056,226
Internal Special Events, Cash	1,975,785	105,178	2,080,963
Internal Special Events, Donated Goods and Services	269,293	-	269,293
Less: Costs of Direct Benefits to Donors	(873,050)	-	(873,050)
Total Internal Special Events	1,372,028	105,178	1,477,206
Investment Loss, Net	(378,042)	-	(378,042)
Forgiveness of Paycheck Protection Program Loan	222,687	-	222,687
Other Income	60,352	-	60,352
Net Assets Released from Restrictions	87,960	(87,960)	-
Total Revenues, Gains, and Other Support	6,237,597	200,832	6,438,429
<b>EXPENSES</b>			
Program Services:			
Wish Granting	3,532,859	-	3,532,859
Total Program Services	3,532,859	-	3,532,859
Support Services:			
Fundraising	1,086,218	-	1,086,218
Management and General	949,755	-	949,755
Total Support Services	2,035,973	-	2,035,973
Total Expenses	5,568,832	-	5,568,832
<b>OTHER LOSSES</b>			
Losses on Sale of Equipment	511	-	511
Total Other Losses	511	-	511
<b>CHANGE IN NET ASSETS</b>	668,254	200,832	869,086
Net Assets - Beginning of Year	6,620,128	98,053	6,718,181
<b>NET ASSETS - END OF YEAR</b>	\$ 7,288,382	\$ 298,885	\$ 7,587,267

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2021**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Cash	\$ 2,394,768	\$ 17,133	\$ 2,411,901
Contributions, Donated Goods, and Services	243,773	5,310	249,083
Grants	401,429	5,000	406,429
Total Public Support	3,039,970	27,443	3,067,413
Internal Special Events, Cash	1,444,983	19,650	1,464,633
Internal Special Events, Donated Goods and Services	273,243	-	273,243
Less: Costs of Direct Benefits to Donors	(580,987)	-	(580,987)
Total Internal Special Events	1,137,239	19,650	1,156,889
Investment Income, Net	402,314	-	402,314
Forgiveness of Paycheck Protection Program Loan	198,949	-	198,949
Other Income	21,302	-	21,302
Net Assets Released from Restrictions	50,000	(50,000)	-
 Total Revenues, Gains, and Other Support	 4,849,774	 (2,907)	 4,846,867
<b>EXPENSES</b>			
Program Services:			
Wish Granting	2,043,992	-	2,043,992
Total Program Services	2,043,992	-	2,043,992
Support Services:			
Fundraising	703,349	-	703,349
Management and General	745,715	-	745,715
Total Support Services	1,449,064	-	1,449,064
 Total Expenses	 3,493,056	 -	 3,493,056
<b>CHANGE IN NET ASSETS</b>	1,356,718	(2,907)	1,353,811
Net Assets - Beginning of Year	5,263,410	100,960	5,364,370
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 6,620,128</b>	<b>\$ 98,053</b>	<b>\$ 6,718,181</b>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**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	\$ 2,480,908	\$ -	\$ -	\$ -	\$ -	\$ 2,480,908
Salaries, Taxes, and Benefits	630,422	637,432	690,321	1,327,753	-	1,958,175
Printing, Subscriptions, and Publications	9,135	59,468	6,299	65,767	-	74,902
Professional Fees	5,896	24,373	89,614	113,987	-	119,883
Rent and Utilities	90,095	53,666	44,852	98,518	-	188,613
Postage and Delivery	4,923	6,247	3,262	9,509	-	14,432
Travel	1,023	18,963	9,830	28,793	-	29,816
Meetings and Conferences	1,365	39,356	6,798	46,154	-	47,519
Office Supplies	10,019	9,990	8,313	18,303	-	28,322
Communications	9,242	5,554	4,586	10,140	-	19,382
Advertising and Media (Cash)	-	10,810	666	11,476	-	11,476
Repairs and Maintenance	423	4,623	207	4,830	-	5,253
Bad Debt Expense	130	-	-	-	-	130
Membership Dues	831	4,872	720	5,592	-	6,423
National Partnership Dues	257,496	51,499	58,856	110,355	-	367,851
Miscellaneous	11,635	147,892	15,859	163,751	-	175,386
Depreciation and Amortization	19,316	11,473	9,572	21,045	-	40,361
Special Event - Direct Donor Benefits	-	-	-	-	873,050	873,050
Total Expenses by Function	<u>3,532,859</u>	<u>1,086,218</u>	<u>949,755</u>	<u>2,035,973</u>	<u>873,050</u>	<u>6,441,882</u>
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(873,050)</u>	<u>(873,050)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 3,532,859</u>	<u>\$ 1,086,218</u>	<u>\$ 949,755</u>	<u>\$ 2,035,973</u>	<u>\$ -</u>	<u>\$ 5,568,832</u>

See accompanying Notes to Financial Statements.



**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**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	\$ 1,343,499	\$ -	\$ -	\$ -	\$ -	\$ 1,343,499
Salaries, Taxes, and Benefits	393,797	441,029	537,529	978,558	-	1,372,355
Printing, Subscriptions, and Publications	7,325	28,084	6,632	34,716	-	42,041
Professional Fees	643	13,276	68,493	81,769	-	82,412
Rent and Utilities	62,525	58,462	55,636	114,098	-	176,623
Postage and Delivery	3,221	3,879	3,075	6,954	-	10,175
Travel	1,111	3,818	1,350	5,168	-	6,279
Meetings and Conferences	89	25,923	1,192	27,115	-	27,204
Office Supplies	6,119	3,935	4,261	8,196	-	14,315
Communications	5,780	5,404	5,143	10,547	-	16,327
Advertising and Media (Cash)	-	3,272	-	3,272	-	3,272
Repairs and Maintenance	-	6,579	595	7,174	-	7,174
Membership Dues	37	1,837	1,533	3,370	-	3,407
National Partnership Dues	195,391	31,685	36,966	68,651	-	264,042
Miscellaneous	11,240	63,809	11,550	75,359	-	86,599
Depreciation and Amortization	13,215	12,357	11,760	24,117	-	37,332
Special Event - Direct Donor Benefits	-	-	-	-	580,987	580,987
Total Expenses by Function	2,043,992	703,349	745,715	1,449,064	580,987	4,074,043
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(580,987)	(580,987)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 2,043,992	\$ 703,349	\$ 745,715	\$ 1,449,064	\$ -	\$ 3,493,056

See accompanying Notes to Financial Statements.

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

	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 869,086	\$ 1,353,811
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	40,361	37,332
Forgiveness of Paycheck Protection Program Loan	(222,687)	(198,949)
Bad Debt Expense and Other	130	-
Net Realized and Unrealized (Gains) Losses on Investments	424,851	(360,543)
Loss on Sale of Property and Equipment	511	-
Contributed Property and Equipment and Inventory	55,639	(156,270)
Change in Discount to Present Value of Contributions Receivable	(151)	151
(Increase) Decrease in Assets:		
Contributions Receivable	(209,812)	13,040
Accounts Receivable	162,345	(165,520)
Due from Related Entities	(388,883)	(81,100)
Prepaid Expenses	(68,015)	21,925
Other Assets	2,285	128,842
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	409,357	129,377
Due to Related Entities	5,341	66,354
Other Liabilities	(4,374)	(269,078)
Deferred Rent	1,081	6,774
Net Cash Provided by Operating Activities	1,077,065	526,146
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(904,498)	(1,180,156)
Proceeds from Sales of Investments	861,447	1,144,487
Purchases of Property and Equipment	(9,683)	(4,327)
Net Cash Used by Investing Activities	(52,734)	(39,996)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Capital Lease Obligations	(10,888)	(10,206)
Proceeds from Paycheck Protection Program Loan	-	222,687
Net Cash Provided (Used) by Financing Activities	(10,888)	212,481
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	1,013,443	698,631
Cash and Cash Equivalents - Beginning of Year	4,178,691	3,480,060
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 5,192,134	\$ 4,178,691
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest Expense	\$ 2,796	\$ 3,306
Contributed Property and Inventory	\$ 55,639	\$ 156,270
Acquisition of Equipment Through a Capital Lease	\$ 4,140	\$ -

See accompanying Notes to Financial Statements.

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

**NOTE 1 ORGANIZATION**

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

**Cash and Cash Equivalents**

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

**Investments**

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

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

**Contributions Receivable**

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

**MAKE-A-WISH FOUNDATION® OF CENTRAL AND NORTHERN FLORIDA**  
**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 greater than \$1,000 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Property and equipment under capital leases 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 lease(s). 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 AND NORTHERN FLORIDA**  
**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 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 \$873,050 and \$580,987 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.

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

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

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

**Revenue Recognition (Continued)**

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>Program</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
<u>August 31, 2022</u>				
Wish Related	\$ 856,750	\$ -	\$ -	\$ 856,750
Rent	2,230	1,320	1,093	4,643
Other	425	14,685	686	15,796
Total	<u>\$ 859,405</u>	<u>\$ 16,005</u>	<u>\$ 1,779</u>	<u>877,189</u>
Internal Special Events				316,364
Contributions Receivable, Net Change				182,555
Other Assets, Net Change				(68,930)
Property and Equipment				17,542
Total				<u>\$ 1,324,720</u>
<u>August 31, 2021</u>				
Wish Related	\$ 243,187	\$ -	\$ -	\$ 243,187
Rent	1,148	1,073	1,021	3,242
Other	1,640	24,213	1,747	27,600
Total	<u>\$ 245,975</u>	<u>\$ 25,286</u>	<u>\$ 2,768</u>	<u>274,029</u>
Internal Special Events				216,829
Contributions Receivable, Net Change				4,561
Other Assets, Net Change				12,449
Property and Equipment				14,458
Total				<u>\$ 522,326</u>

Wish related in-kinds consist of donated travel, goods and other services used in the delivery of wishes. The Foundation estimates the fair value of wish related in-kinds on the basis of estimates of the current market rates for similar travel, goods and other services in the Foundation's market. Professional services are valued and reported at the estimated fair value based on current rates for similar services. Donated rent is valued and reported at the estimated fair value on the basis of comparable lease agreements in the Foundation's market.

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

**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 statement of activities. The amount of auction items received and sold during the years ended August 31, 2022 and 2021 totaled \$906,274 and \$146,804, respectively.

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 Florida taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3) and Section 12A-1.038 of the Florida Statutes, Chapter 212. 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.

**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 that grant wishes to children with critical illnesses.

**Fundraising**

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

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

**Functional Expenses (Continued)**

**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 \$17,839 and \$16,758, respectively, at August 31, 2022 and 2021.

**Management Estimates**

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

**Adoption of Accounting Pronouncement**

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

**Accounting Pronouncement Not Yet Effective**

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



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**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	\$ 8,148,433	\$ 7,080,419
Donor-Imposed Restrictions:		
Restricted Funds	(298,885)	(98,053)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 7,849,548	\$ 6,982,366

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.

As part of the Foundation's liquidity management plan, the Foundation invests cash in excess of daily requirements in short-term investments.

**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.

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

**Fair Value of Financial Instruments (Continued)**

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.

**Fair Value Hierarchy**

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

	<u>Level 1</u>	<u>Level 2</u>	<u>Assets Not Held at Fair Value</u>	<u>Total</u>
<u>August 31, 2022</u>				
<b>Assets</b>				
Investments:				
Mutual Funds	\$ 916,999	\$ -	\$ -	\$ 916,999
Exchange-Traded Funds	349,679	-	-	349,679
Equity Securities	549,138	-	-	549,138
Debt Securities	-	68,392	-	68,392
Cash	-	-	225,651	225,651
Total Assets	<u>\$ 1,815,816</u>	<u>\$ 68,392</u>	<u>\$ 225,651</u>	<u>\$ 2,109,860</u>
	<u>Level 1</u>	<u>Level 2</u>	<u>Assets Not Held at Fair Value</u>	<u>Total</u>
<u>August 31, 2021</u>				
<b>Assets</b>				
Investments:				
Mutual Funds	\$ 1,207,462	\$ -	\$ -	\$ 1,207,462
Exchange-Traded Funds	468,243	-	-	468,243
Equity Securities	661,358	-	-	661,358
Debt Securities	-	98,090	-	98,090
Cash	-	-	56,507	56,507
Total Assets	<u>\$ 2,337,063</u>	<u>\$ 98,090</u>	<u>\$ 56,507</u>	<u>\$ 2,491,660</u>

For the valuation of debt securities at August 31, 2022 and 2021, the Foundation used significant other observable inputs, particularly dealer market prices for comparable investments as of the valuation date (Level 2).

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**NOTE 5 CONTRIBUTIONS RECEIVABLE**

Contributions receivable include pledges that have been discounted at 0% at August 31, 2022 and 1.92% at August 31, 2021. The following is a summary of the Foundation's contributions receivable at August 31:

	<u>2022</u>	<u>2021</u>
Total Amounts Due in:		
Within One Year	\$ 296,642	\$ 78,960
One to Five Years	-	8,000
Gross Contributions Receivable	<u>296,642</u>	<u>86,960</u>
Less Discount to Present Value	-	(151)
Contributions Receivable, Net	<u>\$ 296,642</u>	<u>\$ 86,809</u>

**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 \$1,295,769 and \$1,032,843 from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amounts totaling \$524,916 and \$339,071 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 \$58,575 and \$20,100, respectively, for the years ended August 31, 2022 and 2021, which is recorded in the accompanying statements of activities as other income.

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

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

	<u>2022</u>	<u>2021</u>
Due from National Organization	\$ 237,663	\$ 119,590
Due from Other Chapters	308,959	38,149
Total Due from Related Entities	<u>\$ 546,622</u>	<u>\$ 157,739</u>
Due to National Organization	\$ 298	\$ 50,743
Due to Other Chapters	71,397	15,611
Total Due to Related Entities	<u>\$ 71,695</u>	<u>\$ 66,354</u>

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

During the years ended August 31, 2022 and 2021, the Foundation received contributions, both cash and in-kind, from board members totaling \$441,610 and \$342,852, respectively. At August 31, 2022 and 2021, amounts due from board members totaled \$40,000 and \$0-, respectively, and are included in contributions receivable in the accompanying statements of financial position. Amounts paid to related parties for goods and services used in the Foundation's operations totaled \$92,586 and \$24,918 for the years ended August 31, 2022 and 2021, respectively.

**NOTE 7 PROPERTY AND EQUIPMENT, NET**

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

	<u>2022</u>	<u>2021</u>
Computer Equipment and Software	\$ 189,629	\$ 167,023
Other Equipment	92,766	89,540
Leasehold Improvements	19,833	19,833
Other	5,033	6,251
Total	307,261	282,647
Less: Accumulated Depreciation and Amortization	<u>(227,375)</u>	<u>(193,254)</u>
Property and Equipment, Net	<u>\$ 79,886</u>	<u>\$ 89,393</u>

Depreciation and amortization expense totaled \$40,361 and \$37,332, respectively, for the years ended August 31, 2022 and 2021.

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**NOTE 8 LEASES**

The Foundation is obligated under various capital and operating leases for offices and equipment, which expire at various dates through August 2027. As of August 31, 2022 and 2021, the cost of leased property and equipment under capital leases was \$64,079 and \$59,939 and accumulated depreciation was \$28,288 and \$16,802, respectively. Total rent expense for all operating leases for the years ended August 31, 2022 and 2021, totaled \$163,059 and \$154,336, respectively.

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

<u>Year Ending August 31,</u>	<u>Operating Leases</u>	<u>Capital Leases</u>
2023	\$ 156,350	\$ 14,413
2024	157,702	14,413
2025	26,453	11,509
2026	-	902
2027	-	902
Total Minimum Lease Payments	<u>340,505</u>	<u>42,137</u>
Less: Amounts Representing Interest	-	(3,683)
Present Value of Net Minimum Lease Payments	<u><u>\$ 340,505</u></u>	<u><u>\$ 38,454</u></u>

**NOTE 9 NET ASSETS**

**Net Assets With Donor Restrictions**

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

	<u>2022</u>	<u>2021</u>
Subject to Expenditure for Specified Purpose:		
Wish Granting	\$ 183,614	\$ 5,310
Contributions for Future Events	960	960
Disney Shipping	1,284	1,284
Grants and Other Restricted Cash	-	5,000
Total	<u>185,858</u>	<u>12,554</u>
Subject to Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	<u>113,027</u>	<u>85,499</u>
Total Donor-Restricted Net Assets	<u><u>\$ 298,885</u></u>	<u><u>\$ 98,053</u></u>

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**NOTE 10 RETIREMENT PLAN**

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan immediately. 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 \$28,317 and \$18,601, respectively.

**NOTE 11 CONCENTRATIONS OF CREDIT RISK**

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

Contributions totaling \$1,097,933 were received from a single donor, for the year ended August 31, 2022, which represents 15% of raised revenue which consists of total public support and gross internal special event revenue. Should these contribution levels decrease, the Foundation may be adversely affected.

**NOTE 12 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 13 COMMITMENTS**

The goal of the Foundation is to grant the wish of every eligible child. During the fiscal year ended August 31, 2022 and 2021, the Foundation granted 306 and 236 wishes, respectively. As of August 31, 2022 and 2021, respectively, there were approximately 400 and 425 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2022 was \$5,791 in cash and \$2,986 in in-kind for a total cost of \$8,777. The average cost of a wish for the year ended August 31, 2021 was \$4,817 in cash and \$863 in in-kind for a total cost of \$5,681.

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**NOTE 14 RISKS AND UNCERTAINTIES**

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

As of September 15, 2021, in consultation with the NMAC, the pause on domestic travel to large gatherings was lifted, if travel occurred by automobile. The pause on airline travel was lifted December 1, 2021 with a graduated approach with full domestic travel resuming June of 2022. International and cruise wish travel is still paused as of August 31, 2022. Prior to fiscal year 2020, travel wishes have been approximately 83% of wishes granted and the number of granted wishes averaged approximately 268. The number of wishes granted during the years ended August 31, 2022 and 2021 was 306 and 236, respectively.

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

**NOTE 15 PAYCHECK PROTECTION PROGRAM**

The Foundation applied for and was approved for a \$198,949 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 21, 2020. The loan accrues interest at 1%, but payments were 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 was eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan was uncollateralized and is fully guaranteed by the federal government. The Foundation received forgiveness of \$198,949 on December 2, 2020.

Under the second round of Paycheck Protection Program funding, the Foundation applied for and was approved for an additional \$222,687 loan. The loan was received on February 11, 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 \$222,687 on November 9, 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.

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**NOTE 16 EMPLOYEE RETENTION CREDIT**

During the year ended August 31, 2021, the Foundation applied for and recorded an Employee Retention Credit (ERC) of \$253,097, part of federal COVID-19 relief for employers, on eligible employee wages for calendar year 2020. This credit is included in Grants as a government grant, which is recognized when all conditions of such grants are fulfilled or there is reasonable assurance they will be fulfilled. \$109,360 of this grant is a receivable as of August 31, 2021, included in Accounts Receivable.

Eligibility and conditions for the ERC program may be audited by the Internal Revenue Service. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; management is of the opinion that any audit will not have a material adverse impact on the Foundation's financial position.

**NOTE 17 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through March 27, 2023, the date at which the financial statements were available to be issued.





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