

MAKE-A-WISH FOUNDATION INTERNATIONAL

**FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION**

YEARS ENDED AUGUST 31, 2021 AND 2020



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation International
Phoenix, Arizona

We have audited the accompanying financial statements of Make-A-Wish Foundation International (the Foundation), which comprise the statements of financial position as of August 31, 2021 and 2020, and the related statements of activities, functional expenses, and cash flows, for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Foundation's preparation and fair presentation of the financial statements 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 the Foundation's internal controls. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

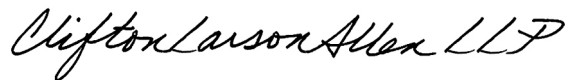
In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Make-A-Wish Foundation International as of August 31, 2021, and changes in its net assets and its cash flows for the year then ended in accordance with accounting principles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

Emphasis of Matter – Restatement of Prior Year Net Assets

As discussed in Note 16, a restatement was discovered related to recording of designated contributions and the distribution of designated contributions as well as the recording of grants payable. As a result, the Foundation has restated its August 31, 2020 financial statements to properly reflect these items in accordance with accounting principles generally accepted in the United States of America.

Report on Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has not been subjected to the auditing procedures applied in the audits of the financial statements as such we do not express an opinion on the supplementary information.



CliftonLarsonAllen LLP

Phoenix, Arizona
May 18, 2022

MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2021 AND 2020 (RESTATED)

	2021	2020
ASSETS		
Cash and Cash Equivalents	\$ 2,596,558	\$ 2,100,604
Investments	723,214	601,588
Receivables, Other	29,889	30,744
Contributions Receivable, Net	413,130	300,350
Due from Affiliates	645,258	629,734
Prepaid Expenses	106,845	69,075
Equipment, Net of Accumulated Depreciation	131,878	308,265
Total Assets	\$ 4,646,772	\$ 4,040,360
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 363,036	\$ 188,149
Due to Affiliates	605,194	486,345
Deferred Affiliate Member Dues	490,068	516,728
Notes Payable	205,130	108,116
Total Liabilities	1,663,428	1,299,338
NET ASSETS		
Without Donor Restriction	2,223,430	2,244,586
With Donor Restriction	759,914	496,436
Total Net Assets	2,983,344	2,741,022
Total Liabilities and Net Assets	\$ 4,646,772	\$ 4,040,360

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2021

	Without Donor Restriction	With Donor Restriction	Totals
SUPPORT AND REVENUE			
Contributions and Grants, Gross	\$ 2,974,574	\$ 649,138	\$ 3,623,712
Affiliate Member Dues	1,496,866	-	1,496,866
Investment Income	128,317	-	128,317
Other Loss	(2,894)	-	(2,894)
Loan Forgiveness	108,116	-	108,116
Gross Revenue	<u>4,704,979</u>	<u>649,138</u>	<u>5,354,117</u>
Less: Designated Funds to Affiliates	(1,356,838)	-	(1,356,838)
Net Assets Released from Restriction	385,660	(385,660)	-
Total Support and Revenue	<u>3,733,801</u>	<u>263,478</u>	<u>3,997,279</u>
EXPENSES			
Program Services	1,822,267	-	1,822,267
Supporting Services:			
Management and General	1,052,233	-	1,052,233
Fundraising	880,457	-	880,457
Total Expenses	<u>3,754,957</u>	<u>-</u>	<u>3,754,957</u>
CHANGES IN NET ASSETS	(21,156)	263,478	242,322
Net Assets - Beginning of Year	<u>2,244,586</u>	<u>496,436</u>	<u>2,741,022</u>
NET ASSETS - END OF YEAR	<u><u>\$ 2,223,430</u></u>	<u><u>\$ 759,914</u></u>	<u><u>\$ 2,983,344</u></u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2020 (RESTATED)**

	Without Donor Restriction	With Donor Restriction	Totals
SUPPORT AND REVENUE			
Contributions and Grants, Gross	\$ 6,990,512	\$ 531,718	\$ 7,522,230
Affiliate Member Dues	1,550,425	-	1,550,425
Investment Income, Net	48,918	-	48,918
Other Loss	(19,916)	-	(19,916)
Gross Revenue	<u>8,569,939</u>	<u>531,718</u>	<u>9,101,657</u>
Less: Designated Funds to Affiliates	(1,637,526)	-	(1,637,526)
Net Assets Released from Restriction	340,800	(340,800)	-
Total Support and Revenue	<u>7,273,213</u>	<u>190,918</u>	<u>7,464,131</u>
EXPENSES			
Program Services	5,607,046	-	5,607,046
Supporting Services:			
Management and General	1,126,685	-	1,126,685
Fundraising	580,938	-	580,938
Total Expenses	<u>7,314,669</u>	<u>-</u>	<u>7,314,669</u>
CHANGE IN NET ASSETS	(41,456)	190,918	149,462
Net Assets - Beginning of Year	1,777,395	914,165	2,691,560
Restatement of Prior Year Net Assets	508,647	(608,647)	(100,000)
Net Assets - Beginning - As Restated	<u>2,286,042</u>	<u>305,518</u>	<u>2,591,560</u>
NET ASSETS - END OF YEAR	<u>\$ 2,244,586</u>	<u>\$ 496,436</u>	<u>\$ 2,741,022</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2021

EXPENSES	Supporting Services			<u>Total</u>
	Program Services	Management and General	Fundraising	
Personnel Costs:				
Salaries	\$ 461,661	\$ 532,894	\$ 207,472	\$ 1,202,027
Employee Benefits and Related Payroll Expenses	181,583	295,086	108,170	584,839
Total Personnel Costs	643,244	827,980	315,642	1,786,866
Dues and Subscriptions	196,220	814	21,015	218,049
Insurance - General	3,337	3,910	2,289	9,536
Miscellaneous	21,910	25,667	15,024	62,601
Postage and Delivery	275	272	287	834
Professional Fees	434,893	63,290	448,810	946,993
Program	1,736,310	-	-	1,736,310
Rent	21,396	25,065	14,671	61,132
Supplies	482	201	469	1,152
Telephone	2,318	1,924	1,126	5,368
Training	31,759	3,071	1,798	36,628
Travel	13,247	13,690	8,780	35,717
Total Expenses Before Depreciation	3,105,391	965,884	829,911	4,901,186
Depreciation	73,714	86,349	50,546	210,609
Less: Designated Funds to Affiliates	(1,356,838)	-	-	(1,356,838)
 Total Functional Expenses	 \$ 1,822,267	 \$ 1,052,233	 \$ 880,457	 \$ 3,754,957

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2020 (RESTATED)**

	Supporting Services			Total
	Program Services	Management and General	Fundraising	
EXPENSES				
Personnel Costs:				
Salaries	\$ 496,293	\$ 425,052	\$ 151,246	\$ 1,072,591
Employee Benefits and Related Payroll Expenses	195,263	241,190	59,430	495,883
Total Personnel Costs	<u>691,556</u>	<u>666,242</u>	<u>210,676</u>	<u>1,568,474</u>
Dues and Subscriptions	130,357	1,903	16,954	149,214
Insurance - General	4,429	3,708	2,163	10,300
Miscellaneous	19,133	16,007	9,337	44,477
Postage and Delivery	1,350	619	706	2,675
Professional Fees	677,599	283,649	235,322	1,196,570
Programs	5,498,860	-	-	5,498,860
Rent	28,356	23,740	13,848	65,944
Supplies	8,638	5,333	6,802	20,773
Telephone	2,600	724	449	3,773
Training	21,964	-	5,333	27,297
Travel	27,621	14,158	14,830	56,609
Total Expenses Before Depreciation and Designated Funds to Affiliates	7,112,463	1,016,083	516,420	8,644,966
Depreciation	132,109	110,602	64,518	307,229
Designated Funds to Affiliates	<u>(1,637,526)</u>	<u>-</u>	<u>-</u>	<u>(1,637,526)</u>
 Total Functional Expenses	 <u>\$ 5,607,046</u>	 <u>\$ 1,126,685</u>	 <u>\$ 580,938</u>	 <u>\$ 7,314,669</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2021 AND 2020 (RESTATED)

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in Net Assets	\$ 242,322	\$ 149,462
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	210,609	307,229
Loan Forgiveness	(108,116)	-
Realized (Gains) Losses on Investments	(4,459)	1,976
Unrealized Gains on Investments	(74,875)	(49,390)
Increase (Decrease) in Cash Resulting from Changes in:		
Receivables, Other	855	25,597
Contributions Receivable	(112,780)	613,815
Due from Affiliates	(15,524)	(73,961)
Prepaid Expenses	(37,770)	(28,009)
Accounts Payable and Accrued Expenses	174,887	(73,086)
Due to Affiliates	118,849	(746,782)
Deferred Affiliate Member Dues	(26,660)	(240)
Net Cash Provided by Operating Activities	367,338	126,611
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(52,551)	(18,300)
Proceeds on Sale of Investments	10,259	2,839
Purchases of Equipment	(34,222)	(24,085)
Net Cash Used by Investing Activities	(76,514)	(39,546)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds on Notes Payable	205,130	108,116
NET INCREASE IN CASH AND CASH EQUIVALENTS	495,954	195,181
Cash and Cash Equivalents - Beginning of Year	2,100,604	1,905,423
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,596,558	\$ 2,100,604

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020 (RESTATED)

NOTE 1 ORGANIZATION

Organization

Make-A-Wish Foundation International (the Foundation) is a nonprofit organization with 39-chartered international affiliates. The Foundation is organized and operated exclusively for the charitable purpose of increasing the opportunity of children of the world, with a life-threatening medical condition, to realize their wishes.

Reporting Entity

The accompanying financial statements include only the accounts and transactions of the Foundation. The international affiliates are separate entities with separate boards of directors and as such are responsible for, and maintain custody of, and generate their own financial resources. Accordingly, the accounts and transactions of the international affiliates are not included in these financial statements.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements are presented in accordance with American Institute of Certified Public Accountants (AICPA) Not-for-Profit Industry Guidance within the Financial Accounting Standards Board (FASB) Codification (Guidance). Under the Guidance, the Foundation is required to report information regarding the financial position and activities according to two classes of net assets: without donor-restricted and with donor-restricted net assets as follows:

Net Assets Without Donor Restriction – Resources over which the board of directors has discretionary control.

Net Assets With Donor Restriction – Resources subject to a donor-imposed restriction which will be satisfied by actions of the Foundation or the passage of time. Some donor 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 restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The donors of these resources permit the Foundation to use all or part of the income earned, including capital appreciation, or related investments for with or without donors restricted purposes. The Foundation does not have any perpetually restricted net assets.

Use of Estimates in the Preparation of Financial Statements

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America (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.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020 (RESTATED)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Foundation considers all highly liquid assets with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents may include cash on hand or held by financial institutions.

Investments

Investments are recorded at fair value. Investment income includes interest, dividends, and if applicable, realized and unrealized gains and losses.

Contributions Receivable

Unconditional promises to give (contributions receivable) are recognized as revenues in the period the promise is received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates at the time of the unconditional promise to give. Amortization of the discount is included in contribution support. Management provides for probable uncollectible amounts through a charge to operations and an increase to a valuation allowance based on its assessment of the current status of individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction of the receivables. As of August 31, 2021 and 2020, there was \$500,000 and \$-0- of conditional contributions respectively, in which the conditions have not been met, and therefore have not been recorded as receivables.

Affiliate Member Dues

As of August 31, 2021, the Foundation has 39 affiliates, that pay annual affiliate member dues for the nonexclusive right and sublicense to use the trademarks and service marks for use in performance of the charitable purpose. Affiliate member dues are paid annually by each affiliate and are deferred and recognized over the period to which the dues relate.

Equipment and Related Depreciation

Purchased equipment is initially recorded at cost and donated property and equipment are recorded at the fair value at the date of gift to the Foundation. Maintenance and repairs are charged to operations when incurred. Betterments and renewals in excess of \$500 are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any gain or loss is included in operations. Depreciation of equipment is computed on a straight-line basis over the estimated useful lives, generally three to seven years.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020 (RESTATED)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Impairment of Long-Lived Assets

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators were present at August 31, 2021 and 2020.

Revenue Recognition

Contributions received are recorded as without or with donor-restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in with donor-restricted net assets depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished or a donor removes a restriction), with donor-restricted net assets are reclassified to without donor-restricted net assets and reported in the statement of activities and changes in net assets as net assets released from restriction. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues in without donor-restricted net assets. The Foundation received 33% and 37% of its gross contribution and grant support from one donor for the years ended August 31, 2021 and 2020, respectively.

The Foundation does not have discretion or variance power over contributions designated to specific affiliates by the donor. As such, these contributions are not the Foundation's revenue or expense under GAAP. These contributions have been deducted from the Foundation's contributions and grants on the statement of activities and program expense on the statement of functional expense to arrive at a net contribution and expense amount.

Affiliate member dues consist of annual dues paid by the affiliates. The Foundation's obligations to the affiliates include distributions from contributions and grants, events and campaigns as necessary. These revenues are recognized over time as the year progresses. Dues are assessed based off of the annual revenue of the affiliate.

Donated Assets and Services

Donated marketable securities, equipment, and other noncash donations are recorded as contributions at their estimated fair values at the date of donation, if an objective basis is available to measure the value of such items. The Foundation pays for most services requiring specific expertise. However, if such services or assets are donated and the value is ascertainable, the fair value is reflected in the financial statements as revenue and expense. The Foundation recorded \$471,856 and \$4,255,303 of in-kind contributions for airline flights, hotel accommodations, theme park visits, and professional fees during the years ended August 31, 2021 and 2020, respectively. The Foundation received 53% and 82% of its in-kind contributions from one donor during the years ended August 31, 2021 and 2020, respectively.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020 (RESTATED)

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donated Assets and Services (Continued)

Volunteers donate significant amounts of their time to the Foundation's mission; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

Advertising

Advertising costs are expensed as incurred.

Functional Allocation of Expenses

Expenses are directly allocated to the various programs and support services when possible and indirectly allocated based on staff time spent in that area and the best estimates of management.

Income Taxes

The Foundation is a nonprofit charitable organization which qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code (IRC) and, accordingly, no provision for federal or state corporate income taxes has been made in the accompanying financial statements. The Foundation qualifies for the charitable contribution deduction under Section 170 of the IRC and has been classified as an organization that is not a private foundation under Section 509(a).

Management believes that the Foundation has no uncertain tax positions as of August 31, 2021.

Adoption of Accounting Principle

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-19, *Revenue from Contracts with Customers (Topic 606)*. Subsequent to May 2014, the FASB issues six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, *Revenue Recognition*, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statements users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Foundation's financial statements reflect the adoption of ASU 2014-09 guidance beginning in fiscal year 2021. The adoption of 2014-09 did not impact the Foundation's reported revenue.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020 (RESTATED)

NOTE 3 INVESTMENTS

A summary of investments at August 31 consists of the following:

	2021	2020
Equities	\$ 479,267	\$ 384,822
Bonds	237,560	205,172
Money Market	6,387	11,594
Total	\$ 723,214	\$ 601,588

NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS

FASB Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020 (RESTATED)

NOTE 4 FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Investments

The Foundation's investments are held in funds with Fidelity Investments. The fair value on these investments held by the Foundation is readily available and is based upon unadjusted quoted market prices. Equity securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

The method described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of August 31:

	2021			Total
	Level 1	Level 2	Level 3	
Equities:				
U.S. Large Cap	\$ 479,267	\$ -	\$ -	\$ 479,267
Bonds:				
U.S. Corporate Bonds	237,560	-	-	237,560
Cash and Cash Equivalents:				
Money Markets	-	-	-	6,387
Total Assets at Fair Value	<u>\$ 716,827</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 723,214</u>
	2020			Total
	Level 1	Level 2	Level 3	
Equities:				
U.S. Large Cap	\$ 384,822	\$ -	\$ -	\$ 384,822
Bonds:				
U.S. Corporate Bonds	205,172	-	-	205,172
Cash and Cash Equivalents:				
Money Markets	-	-	-	11,594
Total Assets at Fair Value	<u>\$ 589,994</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 601,588</u>

**MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020 (RESTATED)**

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable as of August 31, 2021 were \$413,130 of which 68% is due from two donors. Contributions receivable as of August 31, 2020 were \$300,350 of which 83% is due from two donors. All contributions receivable are due within the next 12 months. Management believes that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts was considered necessary at August 31, 2021 and 2020.

NOTE 6 EQUIPMENT

A summary of equipment at August 31 consists of the following:

	<u>2021</u>	<u>2020</u>
Office Furniture and Equipment	\$ 102,052	\$ 93,076
Internal Use Software	1,599,928	1,574,683
Total	<u>1,701,980</u>	<u>1,667,759</u>
Less: Accumulated Depreciation	<u>(1,570,102)</u>	<u>(1,359,494)</u>
Net Equipment	<u>\$ 131,878</u>	<u>\$ 308,265</u>

Depreciation expense was \$210,609 and \$307,229 for the years ended August 31, 2021 and 2020, respectively.

NOTE 7 RELATED PARTY TRANSACTIONS

The Foundation receives membership dues from the international affiliates and sponsors conferences and events for which it incurs costs that are reimbursed by the participating affiliates. Amounts due from affiliates were \$645,258 and \$629,734 at August 31, 2021 and 2020, respectively. Three affiliates accounted for 66% and 61%, respectively, of the total due from affiliates at August 31, 2021 and 2020.

Affiliate dues recognized during the years ended August 31, 2021 and 2020 totaled \$1,496,866 and \$1,550,425, respectively, and gross distributions to affiliates totaled \$1,736,310 and \$5,498,860, respectively, for the years ended August 31, 2021 and 2020.

The Foundation accepts donations on behalf of the international affiliates and disburses these funds to affiliates on a monthly basis. These affiliate transactions are reported as funds held for affiliates until they are distributed. Additionally, the Foundation may hold certain funds for affiliate organizations at their request. Amounts due to affiliates were \$605,194 and \$486,345 at August 31, 2021 and 2020, respectively.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020 (RESTATED)

NOTE 8 NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following at August 31:

	<u>2021</u>	<u>2020</u>
Time Restrictions	\$ 159,581	\$ 51,233
Lodging - AirBnB	281,348	89,718
Affiliate Support	210,000	202,500
COVID-19 Relief	108,985	152,985
Total Net Assets With Donor Restrictions	<u>\$ 759,914</u>	<u>\$ 496,436</u>

NOTE 9 EMPLOYEE BENEFIT PLAN

In 2003, the Foundation adopted a SIMPLE-IRA plan which covers all U.S. employees from their hire date. The Foundation matches each employee's elective deferral on a dollar-for-dollar basis up to 3-5% of the employee's compensation or other defined limits, based on length of employment. In addition, European employees can choose to participate in a benefit plan in which the Foundation pays up to one third of the premium. Matching contributions of \$86,850 and \$38,443 were made to the employee benefit plans for the years ended August 31, 2021 and 2020, respectively.

NOTE 10 OPERATING LEASES

The Foundation leased office space in the United States with monthly rental payments of \$1,648 that expired on August 31, 2021. The Foundation also leases office space in the Netherlands \$2,315 per month expiring June 30, 2024. In addition, the Foundation had an operating lease for a copier which expired August 31, 2021.

Lease expense under these leases was \$61,132 and \$65,944, respectively, for the years ended August 31, 2021 and 2020. Future minimum lease payments under the remaining operating lease are as follows:

<u>Year Ending August 31,</u>	<u>Amount</u>
2022	\$ 30,911
2023	30,911
2024	25,759
Total	<u>\$ 87,581</u>

NOTE 11 LINE OF CREDIT

The Foundation has a \$500,000 revolving line of credit agreement that expires on April 1, 2022. Interest accrues at 1% over the prime rate on the line of credit which was 3.25% as of August 31, 2021 and 2020. There was \$-0- outstanding on the line of credit as of August 31, 2021 and 2020.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020 (RESTATED)

NOTE 12 NOTES PAYABLE

Paycheck Protection Program Loan (PPP Loan)

The Foundation applied for and was approved a \$37,059 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the United States Small Business Administration (SBA). The loan was received on May 3, 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 United States federal government. The Foundation received forgiveness of \$37,059 on April 1, 2021.

Under the second round of Paycheck Protection Program funding, the Foundation applied for and was approved for an additional \$51,967 loan. The loan was received on March 10, 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. Subsequent to year-end, the Foundation received forgiveness of \$51,967 on January 3, 2022.

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.

NOW Loan

The Foundation also received a loan of \$71,057 from the Dutch government as part of their relief efforts related to COVID-19. The loan was received on July 28, 2020 and is to be used for payroll. The Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan repayment is within one year unless forgiven. The Foundation received forgiveness of \$71,057 on February 18, 2021.

The Foundation applied and was approved for a second and third loan from the Dutch government as a part of their relief efforts related to COVID-19. The second loan of \$78,451 was awarded on September 18, 2020 and the third loan of \$74,712 was awarded on February 1, 2021. The loans are to be used for payroll and the Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan repayment is within one year unless forgiven.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020 (RESTATED)

NOTE 13 CONCENTRATION OF CREDIT RISK

The Foundation maintains all of its cash with high-credit quality financial institutions. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. As of August 31, 2021 and 2020, a portion of cash balances at financial institutions exceeded the balance insured by the FDIC.

NOTE 14 LIQUIDITY AND AVAILABILITY

The Foundation regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents and a line of credit. See Note 11 for information about the Foundation's line of credit.

The table below presents financial assets available for general expenditures within one year as of August 31:

	<u>2021</u>	<u>2020</u>
Cash and Cash Equivalents	\$ 2,596,558	\$ 2,100,604
Investments	723,214	601,588
Receivables, Other	29,889	30,744
Contributions Receivable, Net	413,130	300,350
Due from Affiliates	645,258	629,734
Donor Imposed Restrictions:		
Restricted Funds	(759,914)	(496,436)
Designated Funds:		
Designated Funds Receivable	<u>(238,549)</u>	<u>(200,000)</u>
 Total Financial Assets Available to Meet General Expenditures within One Year	 <u>\$ 3,409,586</u>	 <u>\$ 2,966,584</u>

NOTE 15 RISKS AND UNCERTAINTIES

In March 2020, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Management believes the Foundation is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated since these events are still developing.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2021 AND 2020 (RESTATED)

NOTE 16 RESTATEMENT OF PRIOR YEAR NET ASSETS

A restatement related to the recording of donor designated contributions and the distribution of these funds were discovered. According to FASB Topic 958 *Not-for-Profit Entities*, “if a nonprofit makes contributions or awards grants to other nonprofits upon specific requests of others, the nonprofit may be acting as an agent, trustee, or intermediary in a transfer between the donor and the beneficiary specified by the donor (agency transaction).” As these transactions are agency transactions, these transactions do not constitute the Foundation’s revenue or expenses under GAAP. As a result of this restatement, the Foundation’s revenue and expenses for the year ended August 31, 2020 have been reduced by \$1,637,526.

Additionally, errors related to the recording of due to affiliates and program expense were also noted. According to GAAP, contributions payable are recorded when an unconditional promise to a recipient has been made. The Foundation had recorded amounts due to affiliates when a pool of dollars to be paid to affiliates was determined but before the exact recipients had been identified and unconditional promises had been made to the affiliates. As a result of this restatement, as of and for the year ended August 31, 2020, due to affiliates have been decreased by \$245,203, net assets without donor restrictions have been increased by \$508,647, net assets with donor restrictions have been decreased by \$608,647 and programs expense has been decreased by \$345,203.

NOTE 17 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through May 18, 2022, the date at which the financial statements were available to be issued.

**MAKE-A-WISH FOUNDATION INTERNATIONAL
SUPPLEMENTARY SCHEDULE OF FINANCIAL POSITION
GAAP VERSUS MANAGEMENT ACCOUNTING
AUGUST 31, 2021**

ASSETS	<u>GAAP</u>	<u>Adjustments</u>	<u>Management</u>
Cash and Cash Equivalents	\$ 2,596,558	\$ -	\$ 2,596,558
Investments	723,214	-	723,214
Receivables, Other	29,889	-	29,889
Contributions Receivable, Net	413,130	-	413,130
Due from Affiliates	645,258	-	645,258
Prepaid Expenses	106,845	-	106,845
Equipment, Net of Accumulated Depreciation	<u>131,878</u>	<u>-</u>	<u>131,878</u>
Total Assets	<u>\$ 4,646,772</u>	<u>\$ -</u>	<u>\$ 4,646,772</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 363,036	\$ -	\$ 363,036
Due to Affiliates	605,194	620,333	1,225,527
Deferred Affiliate Member Dues	490,068	-	490,068
Notes Payable	<u>205,130</u>	<u>-</u>	<u>205,130</u>
Total Liabilities	1,663,428	620,333	2,283,761
NET ASSETS			
Without Donor Restriction	2,223,430	(273,549)	1,949,881
With Donor Restriction	<u>759,914</u>	<u>(346,784)</u>	<u>413,130</u>
Total Net Assets	<u>2,983,344</u>	<u>(620,333)</u>	<u>2,363,011</u>
Total Liabilities and Net Assets	<u>\$ 4,646,772</u>	<u>\$ -</u>	<u>\$ 4,646,772</u>

**MAKE-A-WISH FOUNDATION INTERNATIONAL
SUPPLEMENTARY SCHEDULE OF FINANCIAL POSITION
GAAP VERSUS MANAGEMENT ACCOUNTING
AUGUST 31, 2020**

ASSETS	<u>GAAP</u>	<u>Adjustments</u>	<u>Management</u>
Cash and Cash Equivalents	\$ 2,100,604	\$ -	\$ 2,100,604
Investments	601,588	-	601,588
Receivables, Other	30,744	-	30,744
Contributions Receivable, Net	300,350	-	300,350
Due from Affiliates	629,734	-	629,734
Prepaid Expenses	69,075	-	69,075
Equipment, Net of Accumulated Depreciation	308,265	-	308,265
	<u>\$ 4,040,360</u>	<u>\$ -</u>	<u>\$ 4,040,360</u>
LIABILITIES AND NET ASSETS			
LIABILITIES			
Accounts Payable and Accrued Expenses	\$ 188,149	\$ -	\$ 188,149
Due to Affiliates	486,345	245,203	731,548
Deferred Affiliate Member Dues	516,728	-	516,728
Notes Payable	108,116	-	108,116
Total Liabilities	<u>1,299,338</u>	<u>245,203</u>	<u>1,544,541</u>
NET ASSETS			
Without Donor Restriction	2,244,586	(179,117)	2,065,469
With Donor Restriction	496,436	(66,086)	430,350
Total Net Assets	<u>2,741,022</u>	<u>(245,203)</u>	<u>2,495,819</u>
Total Liabilities and Net Assets	<u>\$ 4,040,360</u>	<u>\$ -</u>	<u>\$ 4,040,360</u>

**MAKE-A-WISH FOUNDATION INTERNATIONAL
SUPPLEMENTARY SCHEDULE OF ACTIVITIES
GAAP VERSUS MANAGEMENT ACCOUNTING
FOR THE YEAR ENDED AUGUST 31, 2021**

	<u>GAAP</u>	<u>Adjustments</u>	<u>Management</u>
SUPPORT AND REVENUE			
Contributions and Grants, Gross	\$ 3,623,712	\$ -	\$ 3,623,712
Affiliate Member Dues	1,496,866	-	1,496,866
Investment Income	128,317	-	128,317
Other Loss	(2,894)	-	(2,894)
Loan Forgiveness	108,116	-	108,116
Gross Revenue	<u>5,354,117</u>	-	<u>5,354,117</u>
Less: Designated Funds to Affiliates	(1,356,838)	1,356,838	-
Net Assets Released from Restriction	-	-	-
Total Support and Revenue	<u>3,997,279</u>	<u>1,356,838</u>	<u>5,354,117</u>
EXPENSES			
Program Services	1,822,267	1,731,968	3,554,235
Supporting Services:			
Management and General	1,052,233	-	1,052,233
Fundraising	880,457	-	880,457
Total Expenses	<u>3,754,957</u>	<u>1,731,968</u>	<u>5,486,925</u>
CHANGE IN NET ASSETS	<u>\$ 242,322</u>	<u>\$ (375,130)</u>	<u>\$ (132,808)</u>

**MAKE-A-WISH FOUNDATION INTERNATIONAL
SUPPLEMENTARY SCHEDULE OF ACTIVITIES
GAAP VERSUS MANAGEMENT ACCOUNTING
FOR THE YEAR ENDED AUGUST 31, 2020**

	<u>GAAP</u>	<u>Adjustments</u>	<u>Management</u>
SUPPORT AND REVENUE			
Contributions and Grants, Gross	\$ 7,522,230	\$ -	\$ 7,522,230
Affiliate Member Dues	1,550,425	-	1,550,425
Investment Income, Net	48,918	-	48,918
Other Loss	(19,916)	-	(19,916)
Gross Revenue	<u>9,101,657</u>	<u>-</u>	<u>9,101,657</u>
Less: Designated Funds to Affiliates	(1,637,526)	1,637,526	-
Net Assets Released from Restriction	-	-	-
Total Support and Revenue	<u>7,464,131</u>	<u>1,637,526</u>	<u>9,101,657</u>
EXPENSES			
Program Services	5,607,046	1,982,729	7,589,775
Supporting Services:			
Management and General	1,126,685	-	1,126,685
Fundraising	580,938	-	580,938
Total Expenses	<u>7,314,669</u>	<u>1,982,729</u>	<u>9,297,398</u>
CHANGE IN NET ASSETS	<u>\$ 149,462</u>	<u>\$ (345,203)</u>	<u>\$ (195,741)</u>

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