

**WISHES & MORE®**

Financial Statements

December 31, 2021 and 2020



**Wishes & More<sup>®</sup>**  
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## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Wishes & More®  
Minneapolis, Minnesota

We have audited the accompanying financial statements of Wishes & More® (a nonprofit organization), which comprise the statements of financial position as of December 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wishes & More® as of December 31, 2021 and 2020, 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Wishes & More® 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 Wishes & More's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

## **INDEPENDENT AUDITOR'S REPORT, continued**

### **Auditor's 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 auditor's 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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for override of internal control. Misstatements, including omissions, 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 generally accepted auditing standards, 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 Wishes & More'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 Wishes & More'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.

May 23, 2022

*Akins Henke and Company*

**Wishes & More®**  
 Statements of Financial Position  
 December 31, 2021 and 2020

<b>ASSETS</b>	<u><b>2021</b></u>	<u><b>2020</b></u>
Current assets:		
Cash	\$ 648,582	349,329
Promises to give	75,549	63,593
Other receivable	3,238	-
Prepaid expenses	<u>82,246</u>	<u>42,926</u>
Total current assets	<u>809,615</u>	<u>455,848</u>
Investments	<u>1,276,516</u>	<u>1,175,146</u>
Furniture and equipment:		
Furniture and equipment	28,118	28,118
Less accumulated depreciation	<u>(23,030)</u>	<u>(18,668)</u>
Net furniture and equipment	<u>5,088</u>	<u>9,450</u>
Other assets:		
Trademark costs	6,878	6,878
Website	<u>3,198</u>	<u>3,198</u>
Total other assets	10,076	10,076
Less accumulated amortization	<u>(10,065)</u>	<u>(9,882)</u>
Net other assets	<u>11</u>	<u>194</u>
<b>Total Assets</b>	<u><u>\$ 2,091,230</u></u>	<u><u>1,640,638</u></u>
 <b>LIABILITIES AND NET ASSETS</b>		
Current liabilities:		
Accounts payable	\$ 7,721	1,994
Wishes payable	22,944	8,065
Deferred revenue	34,165	21,450
Accrued compensation	<u>17,697</u>	<u>20,800</u>
Total current liabilities	<u>82,527</u>	<u>52,309</u>
Net assets:		
Without donor restrictions:		
Undesignated	1,009,985	610,740
Board designated	<u>772,457</u>	<u>789,973</u>
Total without donor restrictions	1,782,442	1,400,713
With donor restrictions	<u>226,261</u>	<u>187,616</u>
Total net assets	<u>2,008,703</u>	<u>1,588,329</u>
<b>Total Liabilities and Net Assets</b>	<u><u>\$ 2,091,230</u></u>	<u><u>1,640,638</u></u>

See accompanying notes to the financial statements.

**Wishes & More®**  
 Statements of Activities  
 For the Years Ended December 31, 2021 and 2020

	<b>2021</b>			<b>2020</b>		
	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>	<b>Without Donor Restrictions</b>	<b>With Donor Restrictions</b>	<b>Total</b>
<b>SUPPORT AND REVENUES:</b>						
Contributions	\$ 410,717	2,000	412,717	387,499	36,277	423,776
Grants	52,200	18,500	70,700	42,804	5,000	47,804
Paycheck protection program loan forgiveness	60,265	-	60,265	63,458	-	63,458
In-kind contributions	392,413	-	392,413	173,980	8,149	182,129
Investment income	101,230	-	101,230	74,666	-	74,666
<b>Total support</b>	<u>1,016,825</u>	<u>20,500</u>	<u>1,037,325</u>	<u>742,407</u>	<u>49,426</u>	<u>791,833</u>
Special fundraising events	634,213	102,906	737,119	603,884	57,933	661,817
Less cost of direct benefits to donors	(81,111)	-	(81,111)	(108,460)	-	(108,460)
<b>Net special events</b>	<u>553,102</u>	<u>102,906</u>	<u>656,008</u>	<u>495,424</u>	<u>57,933</u>	<u>553,357</u>
<b>Total Support and Revenues</b>	<u>1,569,927</u>	<u>123,406</u>	<u>1,693,333</u>	<u>1,237,831</u>	<u>107,359</u>	<u>1,345,190</u>
<b>NET ASSETS RELEASED FROM RESTRICTIONS:</b>						
Restrictions satisfied by expenditures	84,761	(84,761)	-	45,313	(45,313)	-
<b>EXPENSES:</b>						
Program	1,138,043	-	1,138,043	821,028	-	821,028
Management and general	85,043	-	85,043	113,672	-	113,672
Fundraising	49,873	-	49,873	67,717	-	67,717
<b>Total Expenses</b>	<u>1,272,959</u>	<u>-</u>	<u>1,272,959</u>	<u>1,002,417</u>	<u>-</u>	<u>1,002,417</u>
<b>CHANGE IN NET ASSETS</b>	381,729	38,645	420,374	280,727	62,046	342,773
<b>NET ASSETS - BEGINNING OF YEAR</b>	<u>1,400,713</u>	<u>187,616</u>	<u>1,588,329</u>	<u>1,119,986</u>	<u>125,570</u>	<u>1,245,556</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 1,782,442</u>	<u>226,261</u>	<u>2,008,703</u>	<u>1,400,713</u>	<u>187,616</u>	<u>1,588,329</u>

See accompanying notes to the financial statements.

**Wishes & More®**  
 Statements of Functional Expenses  
 For the Years Ended December 31, 2021 and 2020

	<b>2021</b>				<b>2020</b>			
	<b>Program</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>	<b>Program</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Total</b>
Salaries	\$ 246,303	38,722	11,785	296,810	202,243	71,380	23,793	297,416
Payroll taxes	15,991	5,254	1,599	22,844	15,005	5,296	1,765	22,066
Employee benefits	14,222	4,673	1,422	20,317	19,905	7,024	2,342	29,271
Total personnel costs	<u>276,516</u>	<u>48,649</u>	<u>14,806</u>	<u>339,971</u>	<u>237,153</u>	<u>83,700</u>	<u>27,900</u>	<u>348,753</u>
Wish expense	716,168	-	-	716,168	453,504	-	-	453,504
Scholarship of Hope®	34,587	-	-	34,587	29,856	-	-	29,856
Occupancy	29,445	9,675	2,944	42,064	25,915	9,147	3,048	38,110
Office supplies	13,743	4,515	1,374	19,632	14,886	5,254	1,752	21,892
Professional services	30,086	9,885	3,009	42,980	17,193	6,068	2,022	25,283
Special fundraising events	-	-	105,102	105,102	-	-	138,353	138,353
Postage	10,093	3,316	1,009	14,418	10,357	3,655	1,218	15,230
Meetings	145	48	15	208	96	272	32	400
Education	-	-	-	-	9	26	4	39
Insurance	4,681	1,538	468	6,687	4,929	1,740	579	7,248
Public relations	12,192	4,005	1,219	17,416	15,255	-	-	15,255
Bank and credit card charges	2,286	751	229	3,266	4,813	1,699	566	7,078
Volunteer expense	2,185	718	218	3,121	1,082	-	-	1,082
Telephone	2,734	898	273	3,905	2,376	839	279	3,494
Amortization	128	42	13	183	671	237	78	986
Depreciation	3,054	1,003	305	4,362	2,933	1,035	346	4,314
Total	<u>1,138,043</u>	<u>85,043</u>	<u>130,984</u>	<u>1,354,070</u>	<u>821,028</u>	<u>113,672</u>	<u>176,177</u>	<u>1,110,877</u>
Less: Expenses netted against revenues on the Statement of Activities:								
Special events expenses	<u>-</u>	<u>-</u>	<u>(81,111)</u>	<u>(81,111)</u>	<u>-</u>	<u>-</u>	<u>(108,460)</u>	<u>(108,460)</u>
Total expenses included in the expense section on the Statement of Activities	<u>\$ 1,138,043</u>	<u>85,043</u>	<u>49,873</u>	<u>1,272,959</u>	<u>821,028</u>	<u>113,672</u>	<u>67,717</u>	<u>1,002,417</u>

**Wishes & More®**  
**Statements of Cash Flows**  
For the Years Ended December 31, 2021 and 2020

	<b>2021</b>	<b>2020</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 420,374	342,773
Adjustments to reconcile change in net assets to net cash provided from operating activities:		
Amortization and depreciation	4,545	5,300
Net realized and unrealized gains on investments	(92,459)	(61,349)
Paycheck protection program loan forgiveness	(60,265)	(63,458)
Change in assets and liabilities:		
Increase in promises to give	(11,956)	(30,028)
Increase in other receivable	(3,238)	-
(Increase) decrease in prepaid expenses	(39,320)	22,084
Increase (decrease) in accounts payable	5,727	(1,556)
Increase (decrease) in wishes payable	14,879	(3,299)
Increase in deferred revenue	12,715	21,450
Increase (decrease) in accrued compensation	(3,103)	4,197
Net cash provided by operating activities	247,899	236,114
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of investments	(511,751)	(1,130,239)
Sales of investments	502,840	980,071
Purchase of furniture and equipment	-	(2,110)
Net cash used for investing activities	(8,911)	(152,278)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from paycheck protection program loan	60,265	63,458
Net cash provided by financing activities	60,265	63,458
<b>NET INCREASE IN CASH</b>	299,253	147,294
<b>CASH - BEGINNING OF YEAR</b>	349,329	202,035
<b>CASH - END OF YEAR</b>	\$ 648,582	349,329

See accompanying notes to the financial statements.



**WISHES & MORE®**  
Notes to the Financial Statements  
December 31, 2021 and 2020

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Nature of Operations

Wishes & More® (the Organization) is a nonprofit corporation organized to enhance the lives of children, nineteen years old and younger, fighting terminal or life-threatening conditions by providing extraordinary experiences. The Organization's support comes primarily from corporate and individual donor contributions.

The Organization also provides a Scholarship of Hope® which is presented to each wish child upon being granted their wish that will be a financial grant to apply to any higher institution of learning beyond high school. Memorials are provided for children who are unable to experience their wish.

Basis of Presentation

The accompanying financial statements are presented on the accrual basis in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP). Under U.S. GAAP, the Organization is required to report information regarding its financial position and activities according to two classes of net assets:

*Without donor restrictions*- net assets over which the Board of Directors has discretionary control. Designated amounts represent those revenues which the Board has set aside for a particular purpose. At December 31, 2021, the Board has designated net assets of \$603,588 for scholarships and \$168,869 for future wishes. At December 31, 2020, the Board has designated net assets of \$576,588 for scholarships and \$213,385 for future wishes.

*With Donor Restrictions*- represent the portion of net assets that are restricted by donors for specific purposes or time periods, or that will be maintained by the Organization in perpetuity.

Revenue and Support

The Organization recognizes contributions when cash, securities, unconditional promises to give, or other assets are committed by the donor. The Organization records special events revenue equal to the fair value of direct benefits to donors, and contribution income for the excess received when the event takes place. Payments received in advance of the special event that are considered the ticket price are recorded as deferred revenue until the performance obligation is met. Conditional contributions - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

**WISHES & MORE<sup>®</sup>**  
Notes to the Financial Statements  
December 31, 2021 and 2020

**(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Revenue and Support, (continued)

Contributions are recorded as support without donor restrictions or support with donor restrictions, depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in net assets with donor restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same reporting period are reported as contributions without donor restrictions.

Cash

Cash is defined as cash in checking, cash in UBS Bank deposit account, and cash on hand. The Organization maintains cash accounts at financial institutions located within Minnesota. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) for up to \$250,000 at each institution. At December 31, 2021 and 2020, the Organization had no uninsured cash.

Investments

Investments in equities, mutual funds, corporate bonds, government and agency notes, and money market funds are recorded at fair value. Certificates of deposit and cash are recorded at cost, which approximates fair value. The investments are subject to certain market and trading fluctuations.

The fair value of investments is based on quoted market prices, where available. Net investment income is reported in the statement of activities and consists of interest and dividend income, realized and unrealized gains and losses, less external and direct internal investment expenses. Interest and dividends are recorded when earned and unrealized gains and losses are recorded based on the fair value of the investment. Net investment income, including gain 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 laws.

Promises to Give

Unconditional promises to give are recognized at net realizable value if due within one year, and at net present value if due over one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met. At December 31, 2021, 53% of the Organization's promises to give came from two donors. At December 31, 2020, 11% of the Organization's promises to give came from one donor.

Management performs periodic reviews of the collectability of promises to give and establishes allowances accordingly. No allowance for doubtful promises to give has been provided, as management believes all promises to give are collectible.

**WISHES & MORE®**  
Notes to the Financial Statements  
December 31, 2021 and 2020

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Concentrations of Credit Risk Due to Promises to Give

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of promises to give. Promises to give represent amounts due from various individuals and corporations. Management believes concentrations of credit risk with respect to these promises to give are limited due to the nature and dollar amounts. As of December 31, 2021 and 2020, management believes the Organization has no significant concentrations of credit risk.

Furniture and Equipment

Furniture and equipment are recorded at cost. Contributed furniture and equipment are recorded at fair value at the date of donation. Additions and betterments in excess of \$1,000 are capitalized while replacements, maintenance, and repairs that do not improve or extend the life of the respective assets are expensed in the current period. Depreciation is provided through the use of the straight-line method over the estimated lives of the furniture and equipment of five years.

Trademark Costs

Trademark costs are capitalized and amortized using the straight-line method over fifteen years.

Website

Website development costs are capitalized and amortized using the straight-line method over five years.

Wishes Payable

The Organization's wish policy is to recognize wish expense when the expense is incurred. The Organization believes this policy better reflects the wish expense as the wish expense is not known until the wish occurs.

Income Tax

The Organization is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code. U.S. GAAP requires management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service. Management has analyzed the tax positions taken by the Organization and has concluded that as of December 31, 2021 and 2020, there were no uncertain positions taken or expected to be taken that would require recognition of a liability or disclosure in the financial statements.

**WISHES & MORE®**  
Notes to the Financial Statements  
December 31, 2021 and 2020

(1) **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, (continued)**

Donated Services and Goods

Donated services are recognized as contributions if they (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills and would otherwise be purchased by the Organization. Donated goods are valued at fair value at the date of donation. Donated services and goods consist of various items and services relating to public relation services, printing services, and other donations for wishes.

A number of volunteers have made significant contributions of their time to the Organization to help with programs and activities. The value of this contributed time is not reflected in the financial statements since such time valuation does not conform to recognition standards under U.S. GAAP.

Special Fundraising Events

The Organization holds a variety of fundraising events during the year. For the years ended December 31, 2021 and 2020, fundraising events include the Golf Classic, the Winter Ball, Wine and Beer Tastings, and Breakfast with Santa.

Functional Allocation of Expense

The costs of providing programs and other activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses that are allocated include salaries, payroll taxes, employee benefits, occupancy, office supplies, professional services, meetings, insurance, bank and credit card charges, telephone, amortization and depreciation. Such expenses are allocated based on time studies and the best estimates of management.

Advertising

The Organization expenses advertising costs as they are incurred. Advertising expense was \$17,416 and \$15,255 for the years ended December 31, 2021 and 2020, respectively.

Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

Management has evaluated subsequent events for potential recognition or disclosure through May 23, 2022, the date which the financial statements were available for issue.

**WISHES & MORE®**  
Notes to the Financial Statements  
December 31, 2021 and 2020

(2) **LIQUIDITY AND FINANCIAL ASSETS**

The Organization manages its liquidity by investing excess cash in short-term investments such as certificates of deposit and money market savings, and in longer-term investments which can be liquidated within two days.

At December 31, 2021 and 2020, the Organization had board designated net assets totaling \$772,457 and \$789,973, respectively, intended for scholarships and future wishes. These designations were mindfully placed, and as such, can mindfully be released by board action. The scholarship designated net assets have been reflected as a reduction in the financial assets available within one year as the Board of Directors does not presently intend to spend any significant portion of these funds in 2022. The Board of Directors does not consider the designated funds to be a significant constraint to the availability of financial assets for the Organization as they can be released by Board action, if necessary.

The following table reflects the Organization's financial assets as of December 31, 2021 and 2020, reduced by amounts that are not available to meet general expenditures within one year of the date of the statement of financial position.

	<u>2021</u>	<u>2020</u>
Cash	\$ 648,582	349,329
Promises to give	75,549	63,593
Other receivable	3,238	-
Investments	<u>1,276,516</u>	<u>1,175,146</u>
Total financial assets	2,003,885	1,588,068
Less amounts not available to be used within one year:		
Board designated funds for scholarships	( 603,588)	( 576,588)
Donor restricted for use and time	<u>( 127,412)</u>	<u>( 107,499)</u>
Financial assets available within one year to meet cash needs for general expenditures	\$ <u>1,272,885</u>	<u>903,981</u>

**WISHES & MORE®**  
Notes to the Financial Statements  
December 31, 2021 and 2020

(3) **INVESTMENTS**

Investments consisted of the following at December 31, 2021 and 2020:

	2021	2020
Cash and deposit accounts	\$ 75,875	38,460
Certificates of deposit	590,379	641,429
Government and agency notes	12,113	-
Corporate bonds	121,752	93,820
U.S. equities	295,734	227,381
Mutual funds:		
Equity	134,824	115,552
Fixed income	11,408	11,107
Alternative	34,431	47,397
Total investments	\$ 1,276,516	1,175,146

(4) **FAIR VALUE MEASUREMENTS**

U.S. GAAP establishes a three-tier fair value hierarchy that prioritizes the inputs of 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 lowest priority to unobservable inputs (Level 3 measurements).

The three levels of the fair value hierarchy are described below:

- Level 1 assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets, such as the New York Stock Exchange.
- Level 2 assets and liabilities are valued using inputs other than unadjusted quoted prices included in Level 1 that are observable either directly or indirectly for the assets or liability. Bonds and notes were valued based on inputs from brokers and dealers in secondary markets.
- Level 3 assets and liabilities are valued using pricing inputs which are unobservable for the asset or liability. There were no level 3 assets or liabilities.

**WISHES & MORE®**  
Notes to the Financial Statements  
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(4) **FAIR VALUE MEASUREMENTS, (continued)**

The following summarizes the Organization's assets within the fair value hierarchy as of December 31, 2021:

	Level 1	Level 2	Level 3	Total
Investments:				
Government and agency notes	\$ -	12,113	-	\$ 12,113
Corporate bonds	-	121,752	-	121,752
Equities	295,734	-	-	295,734
Equity mutual funds	134,824	-	-	134,824
Fixed income mutual funds	11,408	-	-	11,408
Alternative mutual funds	<u>34,431</u>	<u>-</u>	<u>-</u>	<u>34,431</u>
	<u>\$ 476,397</u>	<u>133,865</u>	<u>-</u>	610,262
				Cash and deposit accounts at cost 75,875
				Certificates of deposit at cost <u>590,379</u>
				Total investments \$ <u>1,276,516</u>

The following summarizes the Organization's assets within the fair value hierarchy as of December 31, 2020:

	Level 1	Level 2	Level 3	Total
Investments:				
Corporate bonds	\$ -	93,820	-	\$ 93,820
Equities	227,381	-	-	227,381
Equity mutual funds	115,552	-	-	115,552
Fixed income mutual funds	11,107	-	-	11,107
Alternative mutual funds	<u>47,397</u>	<u>-</u>	<u>-</u>	<u>47,397</u>
	<u>\$ 401,437</u>	<u>93,820</u>	<u>-</u>	495,257
				Cash and deposit accounts at cost 38,460
				Certificates of deposit at cost <u>641,429</u>
				Total investments \$ <u>1,175,146</u>

(5) **NET ASSETS WITH DONOR RESTRICTIONS**

Net assets with donor restrictions were available for the following purposes at December 31:

	2021	2020
Scholarship of Hope®	\$ 127,412	107,499
Wish expenses	94,849	80,117
Memorials	<u>4,000</u>	<u>-</u>
	<u>\$ 226,261</u>	<u>187,616</u>

**WISHES & MORE®**  
Notes to the Financial Statements  
December 31, 2021 and 2020

(5) **NET ASSETS WITH DONOR RESTRICTIONS, (continued)**

Net assets were released from donor restrictions by incurring expenses that satisfy the restricted purpose or other events specified by the donors. Net assets released from restriction were comprised of the following at December 31, 2021 and 2020:

	2021	2020
Satisfaction of purpose restrictions:		
Scholarship of Hope®	\$ 30,087	24,413
Wish expenses	<u>54,674</u>	<u>20,900</u>
Total released from restrictions	<u>\$ 84,761</u>	<u>45,313</u>

(6) **OCCUPANCY**

The Organization rents office space from a corporation whose shareholder is the spouse of a board member. The lease expires in April 2025. The Organization pays a monthly base rent plus any utility costs. Rent expense under this lease was \$39,664 and \$35,910, respectively for 2021 and 2020.

Future minimum lease payments under the above operating lease are as follows:

2022	\$ 35,268
2023	36,326
2024	37,415
2025	<u>12,594</u>
	<u>\$ 121,603</u>

The Organization also has month-to-month storage and meeting space leases. The storage and meeting space are rented for \$200 per month on a demand basis.

(7) **RETIREMENT PLAN**

The Organization maintains a SIMPLE IRA plan which is available to employees who have earned at least \$5,000 in the current year. The Organization matches 100% of the employee contributions up to a maximum of 3% of the employee's salary. The Organization's matching contributions for the years ended December 31, 2021 and 2020 was \$8,946 and \$8,824, respectively.



**WISHES & MORE<sup>®</sup>**  
Notes to the Financial Statements  
December 31, 2021 and 2020

(8) **IN-KIND CONTRIBUTIONS**

For 2021 and 2020, the Organization received and recorded the following in-kind contributions:

	2021	2020
Wish services and items	\$ 377,582	150,589
Event items	-	8,960
Office supplies and printing	3,090	8,512
Public relations	11,741	13,983
Volunteer items	-	85
	\$ 392,413	182,129

(9) **PAYCHECK PROTECTION PROGRAM LOANS**

In April of 2020, the Organization received loan proceeds in the amount of \$63,400 under the Paycheck Protection Program (PPP). Established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), the PPP provides for loans to qualifying business in amounts up to 2.5 times their average monthly payroll expenses. PPP loans and accrued interest are forgivable after the elected eight or twenty-four week period as long as the borrower maintains its payroll levels and use the loan proceeds for eligible purposes. The forgiveness amount will be reduced if the borrower terminates employees or reduces salaries during the covered period. Any unforgiven portion of a PPP loan is payable over two years at an interest rate of 1%. This loan was legally forgiven in 2020 and accordingly, the Organization recorded the forgiveness as a contribution.

In February of 2021, the Organization received additional loan proceeds in the amount of \$60,265 through PPP. This second PPP loan and accrued interest is forgivable after an elected eight or twenty-four week period as long as the Organization maintains its payroll levels and uses the loan proceeds for eligible purposes. The forgiveness amount will be reduced if the Organization terminates employees or reduces salaries during the covered period. Any unforgiven portion of this PPP loan is payable over five years at an interest rate of 1%. This loan was legally forgiven in 2021 and accordingly, the Organization recorded the forgiveness as a contribution.

(10) **RESTATEMENT**

The Organization identified \$21,450 of revenue recorded in 2020 that should have not been recorded as revenue but should have been deferred revenue. As a result, the Organization restated the December 31, 2020 balances and activity to reflect these items. The effect of the correction on the December 31, 2020 financial statements was to decrease special fundraising events revenue and to increase deferred revenue by \$21,450.