

TWILIGHT WISH FOUNDATION
Financial Statements and Accountants' Audit Report
Year Ended June 30, 2020

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**TWILIGHT WISH FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

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Independent Auditor's Report

To Board of Directors
Twilight Wish Foundation
Doylestown, PA 18901

We have audited the accompanying statement of financial position of the Twilight Wish Foundation (a nonprofit organization), which comprise the statement of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the year 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 control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit 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 auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity'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 entity's internal control. 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 Twilight Wish Foundation as of June 30, 2020 and 2019 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Cherie Degon, CPA, MBA
Oreland, Pennsylvania
January 21, 2021

**TWILIGHT WISH FOUNDATION
STATEMENTS OF FINANCIAL POSITION
AS OF JUNE 30, 2020 AND 2019**

	June 30, 2020	June 30, 2019
Current Assets:		
Cash	\$ 174,614	\$ 143,699
Legacy Gift Receivable	314,598	\$ -
Inventory	2,182	2,182
Security Deposit	954	-
Deposits	4,500	-
Prepaid Rent	1,012	-
Total Current Assets	\$ 497,860	\$ 145,881
Property and Equipment		
Net Property and Equipment (Note 5)	32,075	6,554
TOTAL ASSETS	\$ 529,935	\$ 152,435

LIABILITIES AND NET ASSETS

Current Liabilities:		
Accounts payable and accrued expenses	\$ -	\$ 1,026
PPP loan (Note 6)	12,089	-
Lease Payable (Note 4)	11,691	-
Security Deposit	250	250
Accrued Payroll Taxes	249	2,065
Accrued Payroll	118	1,997
Total Current Liabilities	\$ 24,397	\$ 5,338
Lease Payable Long-term (Note 4)	15,584	-
Total Liabilities	\$ 39,981	\$ 5,338
Net Assets:		
Net Assets without Donor Restrictions	\$ 480,198	\$ 132,640
Net Assets with Donor Restrictions (Note 4)	9,756	14,457
Total Net Assets	\$ 489,954	\$ 147,097
Total Liabilities and Net Assets	\$ 529,935	\$ 152,435

The accompanying notes are an integral part of these financial statements.

**TWILIGHT WISH FOUNDATION
STATEMENTS OF ACTIVITIES
YEAR ENDED JUNE 30, 2020 AND 2019**

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>
Public Support and Revenue				
Grants	\$ 82,350	\$ -	\$ 82,350	\$ 97,690
Donations	49,598	20,304	69,902	63,482
Donations - Legacy Gift	314,598	0	314,598	0
In-Kind Donations (Note 3)	12,460	0	12,460	10,089
Donated Services (Note 3)	155,590	0	155,590	211,409
Fundraising Income	26,730	0	26,730	43,189
Product Sales	0	0	0	1
Miscellaneous Income	0	0	0	1,332
Interest	173	0	173	180
	<u>641,499</u>	<u>20,304</u>	<u>661,803</u>	<u>427,372</u>
Total revenues and support	\$	\$	\$	\$
Expenses:				
Program	235,791	\$25,005	\$260,796	\$318,755
General and administrative	43,232	0	43,232	48,838
Fundraising	14,918	0	14,918	29,755
	<u>\$293,941</u>	<u>\$25,005</u>	<u>\$318,946</u>	<u>\$397,348</u>
Total expenses				
Increase (decrease) in unrestricted net assets	<u>\$347,558</u>	<u>(4701)</u>	<u>\$342,857</u>	<u>\$30,024</u>
Increase (decrease) in total net assets	\$347,558	(4701)	\$342,857	\$30,024
Beginning Total Net Assets	\$ 132,640	\$ 14,457	\$ 147,097	\$ 117,073
Ending Total Net Assets	\$ 480,198	\$ 9,756	\$ 489,954	\$ 147,097

The accompanying notes are an integral part of these financial statements.

TWILIGHT WISH FOUNDATION
STATEMENTS OF CHANGES IN NET ASSETS WITH AND WITHOUT
DONOR RESTRICTIONS
YEAR ENDED JUNE 30, 2020 and 2019

June 30, 2020			
	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
Net Assets, Beginning	\$132,640	\$14,457	\$147,097
Increase (decrease) in net assets from operations	322,553	20,304	342,857
Net assets relieved from restrictions (Note 4)	25,005	(25,005)	-
Net assets, ending	\$480,198	\$9,756	\$489,954

June 30, 2019			
	<u>Without Donor</u>	<u>With Donor</u>	<u>Total</u>
	<u>Restrictions</u>	<u>Restrictions</u>	
Net Assets, Beginning	\$106,521	\$10,552	\$117,073
Increase (decrease) in net assets from operations	(33,458)	63,482	30,024
Net assets relieved from restrictions (Note 4)	59,577	(59,577)	-
Net assets, ending	\$132,640	\$14,457	\$147,097

The accompanying notes are an integral part of these financial statements.

**TWILIGHT WISH FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020**

	Program Services	Support Services		June 30, 2020 Total
	Program	General and Administrative	Fundraising	
Depreciation Expense	-	10,299	-	10,299
Dues & Seminars	-	165	-	165
Fundraising Expenses	-	-	7,898	7,898
Government Filing Fees	-	445	-	445
Insurance	2,931	414	103	3,448
Interest Expense	-	334	-	334
Maintenance and Repairs	-	1,250	-	1,250
Marketing Expense	3,874	547	137	4,558
Moving Expenses	-	2,662	-	2,662
Office Supplies	3,649	515	129	4,293
Payroll Expense	41,286	5,829	1,457	48,572
Program Direct Costs-Donated Services	132,088	18,648	4,662	155,398
Program Direct Costs	61,921	-	-	61,921
Professional Fees	6,563	927	232	7,722
Rent	3,125	441	110	3,676
Travel Expenses	1,347	190	48	1,585
Utilities	4,012	566	142	4,720
Total	260,796	43,232	14,918	318,946

The accompanying notes are an integral part of these financial statements.

**TWILIGHT WISH FOUNDATION
STATEMENTS OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019**

	Program Services	Support Services		June 30, 2019 Total
	Program	General and Administrative	Fundraising	
Board Expenses	-	115	-	115
Charitable Donations	20	-	-	20
Consulting Services	4,113	762	203	5,078
Depreciation Expense	-	1,707	-	1,707
Finance Charges	-	9	-	9
Fundraising Expenses	-	-	17,871	17,871
Government Filing Fees	-	680	-	680
Insurance	2,650	490	131	3,271
Interest Expense	-	285	-	285
Maintenance and Repairs	-	1,265	-	1,265
Marketing Expense	2,267	420	112	2,799
Office Supplies	1,545	287	76	1,908
Payroll Expense	43,211	8,002	2,134	53,347
Program Direct Costs-Donated Services	171,241	31,711	8,456	211,408
Program Direct Costs	78,093	-	-	78,093
Rent	9,882	1,830	488	12,200
Staff Appreciation	76	14	4	94
Taxes and Licenses	-	215	-	215
Travel Expenses	1,110	205	55	1,370
Utilities	4,547	841	225	5,613
Total	318,755	48,838	29,755	397,348

The accompanying notes are an integral part of these financial statements.

**TWILIGHT WISH FOUNDATION
STATEMENTS OF CASH FLOWS
YEAR ENDED JUNE 30, 2020 AND 2019**

	June 30, 2020	June 30, 2019
OPERATING ACTIVITIES		
Increase in total net assets	\$ 342,857	\$ 30,024
Net Increase in Net Assets	\$ 342,857	\$ 30,024
Adjustments to reconcile increase in total net assets to net cash provided by operating activities:		
Changes in operating assets and liabilities:		
(Increase) decrease in operating assets:		
Refunds Receivable		\$ 258
Legacy Gift Receivable	\$ (314,598)	\$ -
Deposits	(4,500)	-
Prepaid Rent	(1,012)	-
Security Deposit	(954)	-
Depreciation	10,299	1,707
Increase (decrease) in operating liabilities:		
Accrued Expenses	(1,025)	(920)
Accrued Payroll Taxes	(1,878)	567
Accrued Payroll	(1,818)	380
Lease Payable TWF Office	27,275	-
PPP Loan	12,089	-
Net Cash provided (Used) by operating activities	\$ 66,735	\$ 32,016
INVESTING ACTIVITIES		
Fixed Assets, Computers	(435)	(1,189)
Fixed Assets, Website	-	(751)
Fixed Assets, Right to Use Office	(35,385)	-
Net Cash provided (Used) by Investing Activities	(35,820)	(1,940)
Net Cash Increase for the period	\$ 30,915	\$ 30,076
Cash Balance, beginning	\$ 143,699	\$ 113,623
Cash Balance, ending	\$ 174,614	\$ 143,699

The accompanying notes are an integral part of these financial statements.

**TWILIGHT WISH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 1. ORGANIZATION:

Twilight Wish Foundation (the “Foundation”) is a not-for-profit organization incorporated under the laws of the Commonwealth of Pennsylvania in December of 2003. The Foundation was organized for charitable purposes. Their mission is to enrich the lives of deserving seniors through individual wish granting celebrations that connect generations. Their vision is to make our world a nicer place to age, one wish at a time. The Foundation seeks to increase awareness of the importance of thanking older generations and to provide a mechanism to facilitate elder wish granting. The major sources of revenue are in-kind services, donations, grants, corporate sponsorship and special events.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Basis of Accounting:

The Foundation’s financial statements are prepared on the accrual basis of accounting in accordance with FASB ACS 958-205-45 (Formerly SFAS 117), “*Financial Statements of Not-for-Profit Organizations*”. Under FASB ACS 958-205-45, the Organization is required to report information regarding its financial position and activities including a description of donor-imposed restriction on the use of particular assets.

Financial Statement Presentation:

Net assets and revenues, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed restrictions. The two classes of net asset categories are as follows:

Without Donor Restrictions – Net assets which are free of donor-imposed restrictions; all revenues, gains and losses that are not changes in purpose restricted, time restricted or perpetually restricted.

With Donor Restrictions - Net assets whose use by the Organization is limited by donor-imposed stipulations.

Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires management to make 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 these estimates.

The accompanying notes are an integral part of these financial statements.

TWILIGHT WISH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

Promises to Give and Contributions:

The Organization accounts for contributions received in accordance with FASB ASC 958-605-25 *Accounting for Contributions Received and Contributions Made*. Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions received are recorded as with donor restrictions or without donor restrictions, depending on the existence and/or nature of any donor restrictions. When a restriction expires, donor restricted net assets are reclassified to without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Net Assets with Donor Restrictions:

Donor restrictions are categorized as follows:

Purpose Restrictions – Net assets whose use is restricted for a specific purpose designated by the Donor.

Time Restricted: Restrictions that either expire by passage of time or that can be fulfilled or removed by actions of the Organization pursuant to those stipulations.

Perpetual in Nature – Net assets whose use by the Organization is limited by donor-imposed stipulations that neither expire with the passage of time nor that can be fulfilled or otherwise removed by actions of the Organization.

Revenue Recognition:

Grants and contributions are considered unrestricted and available for general operations unless specifically restricted by the donor. The Foundation reports gifts and grants of cash and other assets as restricted if they are received with donor stipulations that limit the use of the donated assets as to a particular purpose or to future periods. When a stipulated time restriction ends or purpose restriction is accomplished, Donor restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from Donor restrictions.

Cash and Cash Equivalents:

In general, for purposes of the statement of cash flows, the Foundation considers all highly liquid investments with maturities of six months or less and certificates of deposits to be cash equivalents.

The accompanying notes are an integral part of these financial statements.

**TWILIGHT WISH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Inventory

Supplies and fundraising items purchased or donated for use in programs or for fundraising are carried at the lower of cost or market on the first in first out basis.

Property and equipment and related depreciation:

Property and equipment are stated at cost. Expenditures for major additions, renewals and betterments are capitalized; conversely, expenditures for repairs and maintenance are charged to expense when incurred. Upon the retirement or disposal of assets, the cost and accumulated depreciation are eliminated from the accounts and the resulting gain or loss is included in revenue or expenses. Depreciation of property and equipment is computed using the straight-line method over the estimated useful service lives of the assets ranging from one to five years. Depreciation expense for the year ended June 30, 2020 was \$1,944 and \$1,707 for 2019. Depreciation is provided on the straight-line basis over the estimated useful lives of the Property and Equipment which is estimated at 5 years.

Income Taxes:

The Organization is a not-for-profit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes pursuant to Section 501(a) of the Internal Revenue Code. The organization is also exempt from Pennsylvania taxation under the applicable provisions of the commonwealth's non-profit organization statutes.

US GAAP requires entities to evaluate, measure, recognize and disclose any uncertain income tax positions taken on their income tax returns. Management has evaluated the impact of this standard on its financial statements and believes that there are no uncertain tax positions.

The income tax returns of the Foundation are subject to examination by the Internal Revenue Services and other various taxing authorities, generally for three years after they are files.

The Foundation recognizes accrued interest and penalties associated with uncertain tax positions, if any, as a miscellaneous expense. There were no income tax related interest and penalties recorded for the year ended June 30, 2020 and 2019.

The accompanying notes are an integral part of these financial statements.

**TWILIGHT WISH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

Functional Expense Allocation:

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. Depreciation, utilities, telephone/internet, and repairs and maintenance are allocated based on the location of the asset or service. Salaries, payroll taxes, employee benefits, insurance, office supplies, are allocated on the basis of estimates of time and effort. Other expenses are based on actual costs directly related to the program services and support services categories.

Advertising and marketing:

Advertising and marketing costs are expensed as incurred. There was \$4,557 of advertising and marketing costs incurred for the year ended June 30, 2020 and \$2,799 during 2019.

NOTE 3. IN-KIND DONATIONS AND DONATED SERVICES:

The Foundation follows the practice of recording the estimated value of materials and services as contributions if there is an objective basis available to measure the value of such materials and services. In-kind donations in the form of medical and other supplies for the Foundation's programs had an estimated value of \$12,460 and \$10,089 for the years ended June 30, 2020 and 2019 respectively.

There were \$155,590 of donated other services during the year ending June 30, 2020 compared to \$211,409 during 2019. Included in the Donated Services is the value of donated time from the Board Chair, other board members and Chapter Directors of the Foundation, which is calculated on the hours donated valued at a competitive hourly rate. This information is included in the financial statements because it is useful in understanding the magnitude of the organization's operations, including its dependency on these in-kind contributions.

The financial statements show Twilight Wish Foundation is a highly efficient non-profit, with 82% of total expenses going directly to granting wishes and program services during the year ended June 30, 2020 and 80% during the year ended June 30, 2019. Donated services and in-kind products in the amount of \$168,050 comprise over 26% of the Foundation's total revenue of \$641,499, enabling the Foundation to continue its mission and to add value to the amount of every dollar donated in cash.

The accompanying notes are an integral part of these financial statements.

**TWILIGHT WISH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 4. LEASE:

The Financial Accounting Standards Board (FASB) has released new standards for lease accounting *Accounting Standards Update 2016-02 Leases*. The Foundation has implemented the new standard which requires operating leases greater than 12 months be reported as a “Right to Use” asset and the Lease Payable be reported as a liability.

The Foundation entered into a thirty-six (36) month lease for office space on October 15, 2019 terminating on October 14, 2022 which is classified as an operating lease. Monthly rents are \$954.00 for the first year, \$982.62 for the second year and \$1,012.10 for the third year. Annual rents for fiscal years ending June 30, 2020, 2021, and 2022 and partial year ending October 14, 2022 when the lease terminates are as follows:

Rental Period	Rents
10/15/2019-6/30/2020	\$ 8,109.00
7/1/2020-6/30/2021	11,691.27
7/1/2021-6/30/2022	12,042.02
7/1/2022-10/14/2022	<u>3,542.35</u>
Total Rents	<u><u>\$ 35,384.64</u></u>

NOTE 5. LEGACY GIFT RECEIVABLE:

The Foundation was the 100% sole beneficiary of assets held in an account at Fidelity Brokerage Services LLC. The inherited assets have been reported at the Fair Market Value (FMV) of assets held in the account as of the owner’s date of death which was June 5, 2020 which is the best estimate of the value as of the account as of June 30, 2020.

NOTE 6. NET ASSETS:

As of June 30, 2020, \$9,756 of net assets were identified as with donor restrictions. These funds are restricted by the donor for the purpose and use of granting of wishes. The funds are recorded as purpose restricted until the wishes are granted. There were \$14,457 of net assets with donor restrictions as of June 30, 2019.

The accompanying notes are an integral part of these financial statements.

**TWILIGHT WISH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 7. PROPERTY AND EQUIPMENT:

Property and Equipment are summarized by major classification as follows for the year ended June 30, 2020 and 2019:

	June 30, 2020	June 30, 2019
Computers	\$ 22,625	\$ 22,190
Equipment	6,460	6,460
Website	5,250	5,250
Furniture	1,553	1,553
Right to Use: TWF Office	35,385	-
Total	71,273	35,453
Less: accumulated Depreciation	(39,198)	(28,899)
Net Property and Equipment	\$ 32,075	\$ 6,554

NOTE 8. PAYROLL PROTECTION PROGRAM LOAN

On May 16, 2020, the Organization received \$12,089 under the Payroll Protection Program (PPP) available to businesses due to the COVID-19 pandemic. These funds are disbursed by the Small Business Administration (SBA) through Customer Bank. Under the agreement with Customer Bank, these funds are treated as a loan with the maturity date of April 20, 2022. This loan carries an interest rate of 1% with repayment over 18 monthly payments of \$676.94 beginning November 20, 2020. The final payment is expected to include principal and accrued interest through the term of the loan.

According to the PPP Rules, the entire loan can be forgiven if a majority of the loan is spent on payroll and other pre-approved expenses. The Organization believes that almost all funds will be used for payroll and other approved expenses, and, therefore, expects that the entire balance will be forgiven.

NOTE 9. SIGNIFICANT CONCENTRATION OF CREDIT RISK:

The Foundation maintains bank accounts in a single financial institution. The standard insurance amount is \$250,000 per depositor, per insured bank, for each account ownership category. The Foundation has not exceeded the maximum insured amount as of June 30, 2020 and 2019.

The accompanying notes are an integral part of these financial statements.

TWILIGHT WISH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020

NOTE 10. LIQUIDITY

As part of the Foundation’s liquidity management, it has a goal to maintain cash and short-term investments on hand to meet 9 months of normal operating expenses, which on average total approximately \$122,500. Any cash in excess of daily requirements is invested in an interest-bearing savings account.

In addition, the Foundation also has a line of credit from Customer Bank in the amount of \$25,000, which it could draw upon in the event of unanticipated liquidity need.

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the balance sheet date, comprise the following:

Cash	\$ 174,615
Donor Imposed Restrictions	(9,756)
Financial assets available to meet cash needs for general expenditures within 3 months	<u>\$ 164,859</u>

NOTE 11. LITIGATION

There are no pending or threatened litigations, claims and/or assessments. As of the date of this report, the Foundation’s legal counsel is unaware of any unasserted claims or assessments or any financing statements filed under the Uniform Commercial Code or any other assignment of the Foundation’s assets.

NOTE 12. COVID-19

As a result of the COVID-19 outbreak in the United States, economic uncertainties have arisen that are likely to negatively impact public support and revenues. Voluntary, and then subsequently mandatory, shelter-in-place orders necessitated temporary business closing as the uncertainty continues. Though the extent of disruption is expensed is expected to be temporary, the extent of the financial impact and other possible impacting matters are unknown at this time.

The accompanying notes are an integral part of these financial statements.

**TWILIGHT WISH FOUNDATION
NOTES TO FINANCIAL STATEMENTS
YEAR ENDED JUNE 30, 2020**

NOTE 13. SUBSEQUENT EVENTS

As required by FASB ASC 855-10-50-1, subsequent events have been evaluated for the Twilight Wish Foundation from June 30, 2020 through January 21, 2021 which is the date the financial statements were available to be issued.

The accompanying notes are an integral part of these financial statements.