

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2023 AND 2022**



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAconnect.com](https://www.CLAconnect.com)

**MAKE-A-WISH FOUNDATION® OF GEORGIA  
TABLE OF CONTENTS  
YEARS ENDED AUGUST 31, 2023 AND 2022**

<b>INDEPENDENT AUDITORS' REPORT</b>	<b>1</b>
<b>FINANCIAL STATEMENTS</b>	
<b>STATEMENTS OF FINANCIAL POSITION</b>	<b>3</b>
<b>STATEMENTS OF ACTIVITIES</b>	<b>4</b>
<b>STATEMENTS OF FUNCTIONAL EXPENSES</b>	<b>6</b>
<b>STATEMENTS OF CASH FLOWS</b>	<b>8</b>
<b>NOTES TO FINANCIAL STATEMENTS</b>	<b>9</b>



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Georgia  
Atlanta, Georgia

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Georgia (a nonprofit organization) (the Foundation), which comprise the statements of financial position as of August 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Make-A-Wish Foundation® of Georgia as of August 31, 2023 and 2022, 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.

#### **Change in Accounting Principle**

As discussed in Note 2 to the financial statements, in 2023, the Foundation adopted new accounting guidance for leases. The guidance requires lessees to recognize a right-of-use asset and corresponding liability for all operating and finance leases with lease terms greater than one year. Our opinion is not modified with respect to this matter.

#### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Make-A-Wish Foundation® of Georgia and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### **Responsibilities of Management for the Financial Statements**

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Make-A-Wish Foundation® of Georgia's ability to continue as a going concern for one year after the date the financial statements are available to be issued.

***Auditors' Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Make-A-Wish Foundation® of Georgia's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Make-A-Wish Foundation® of Georgia's ability to continue as a going concern for a reasonable period of time.

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



**CliftonLarsonAllen LLP**

Lakeland, Florida  
February 2, 2024

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2023 AND 2022**

	2023	2022
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,863,987	\$ 2,930,782
Due from Related Entities	193,796	198,914
Prepaid Expenses	247,161	312,964
Contributions Receivable, Net	1,355,906	798,072
Other Assets	91,762	191,308
Right-of-Use Assets - Operating	384,965	-
Right-of-Use Assets - Finance	27,916	-
Property and Equipment, Net	23,330	23,504
 Total Assets	 \$ 4,188,823	 \$ 4,455,544
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 303,108	\$ 409,171
Due to Related Entities	210,604	245,100
Other Liabilities	78,184	33,524
Deferred Rent	-	99,212
Lease Liability - Operating	466,074	-
Lease Liability - Financing	28,081	-
Total Liabilities	1,086,051	787,007
<b>NET ASSETS</b>		
Without Donor Restrictions	2,266,224	3,064,914
With Donor Restrictions	836,548	603,623
Total Net Assets	3,102,772	3,668,537
 Total Liabilities and Net Assets	 \$ 4,188,823	 \$ 4,455,544

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2023**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Cash	\$ 3,823,399	\$ 391,939	\$ 4,215,338
Contributions, Donated Goods and Services	2,470,073	438,452	2,908,525
Grants	187,085	-	187,085
Total Public Support	6,480,557	830,391	7,310,948
Internal Special Events, Cash	2,525,483	-	2,525,483
Internal Special Events, Donated Goods and Services	127,230	-	127,230
Less: Costs of Direct Benefits to Donors	(375,245)	-	(375,245)
Total Internal Special Events	2,277,468	-	2,277,468
Investment Income, Net	62,751	-	62,751
Other Income	8,550	-	8,550
Net Assets Released from Restrictions	597,466	(597,466)	-
Total Revenues, Gains, and Other Support	9,426,792	232,925	9,659,717
<b>EXPENSES</b>			
Program Services:			
Wish Granting	7,699,324	-	7,699,324
Total Program Services	7,699,324	-	7,699,324
Support Services:			
Fundraising	1,197,240	-	1,197,240
Management and General	1,328,918	-	1,328,918
Total Support Services	2,526,158	-	2,526,158
Total Expenses	10,225,482	-	10,225,482
<b>CHANGE IN NET ASSETS</b>	(798,690)	232,925	(565,765)
Net Assets - Beginning of Year	3,064,914	603,623	3,668,537
<b>NET ASSETS - END OF YEAR</b>	\$ 2,266,224	\$ 836,548	\$ 3,102,772

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2022**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Cash	\$ 2,634,848	\$ 6,738	\$ 2,641,586
Contributions, Donated Goods and Services	2,264,141	575,728	2,839,869
Grants	636,439	-	636,439
Total Public Support	5,535,428	582,466	6,117,894
Internal Special Events, Cash	3,142,756	15,000	3,157,756
Internal Special Events, Donated Goods and Services	148,515	-	148,515
Less: Costs of Direct Benefits to Donors	(262,346)	-	(262,346)
Total Internal Special Events	3,028,925	15,000	3,043,925
Investment Income, Net	8,098	-	8,098
Forgiveness of Paycheck Protection Program Loan	479,795	-	479,795
Other Income	18,409	-	18,409
Net Assets Released from Restrictions	13,570	(13,570)	-
Total Revenues, Gains, and Other Support	9,084,225	583,896	9,668,121
<b>EXPENSES</b>			
Program Services:			
Wish Granting	6,369,652	-	6,369,652
Total Program Services	6,369,652	-	6,369,652
Support Services:			
Fundraising	1,185,593	-	1,185,593
Management and General	1,222,151	-	1,222,151
Total Support Services	2,407,744	-	2,407,744
Total Expenses	8,777,396	-	8,777,396
<b>CHANGE IN NET ASSETS</b>	306,829	583,896	890,725
Net Assets - Beginning of Year	2,758,085	19,727	2,777,812
<b>NET ASSETS - END OF YEAR</b>	\$ 3,064,914	\$ 603,623	\$ 3,668,537

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2023**

	Program Services	Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services		
Direct Costs of Wishes	\$ 6,192,516	\$ -	\$ -	\$ -	\$ -	\$ 6,192,516
Salaries, Taxes, and Benefits	955,886	844,426	1,000,868	1,845,294	-	2,801,180
Printing, Subscriptions, and Publications	2,441	37,598	3,377	40,975	-	43,416
Professional Fees	785	12,895	120,203	133,098	-	133,883
Rent and Utilities	63,098	44,826	47,314	92,140	-	155,238
Postage and Delivery	15,796	4,273	2,743	7,016	-	22,812
Travel	778	11,672	17,674	29,346	-	30,124
Meetings and Conferences	244	32,490	21,490	53,980	-	54,224
Office Supplies	18,060	11,004	3,014	14,018	-	32,078
Communications	14,839	13,312	8,613	21,925	-	36,764
Repairs and Maintenance	3,665	2,894	1,221	4,115	-	7,780
Membership Dues	340	25,795	1,928	27,723	-	28,063
National Partnership Dues	390,194	70,452	81,291	151,743	-	541,937
Miscellaneous	35,612	81,672	15,039	96,711	-	132,323
Depreciation and Amortization	5,070	3,931	4,143	8,074	-	13,144
Special Event - Direct Donor Benefits	-	-	-	-	375,245	375,245
Total Expenses by Function	<u>7,699,324</u>	<u>1,197,240</u>	<u>1,328,918</u>	<u>2,526,158</u>	<u>375,245</u>	<u>10,600,727</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(375,245)</u>	<u>(375,245)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 7,699,324</u>	<u>\$ 1,197,240</u>	<u>\$ 1,328,918</u>	<u>\$ 2,526,158</u>	<u>\$ -</u>	<u>\$ 10,225,482</u>

See accompanying Notes to Financial Statements.



**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**YEAR ENDED AUGUST 31, 2022**

	Program Services	Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services		
Direct Costs of Wishes	\$ 4,961,270	\$ -	\$ -	\$ -	\$ -	\$ 4,961,270
Salaries, Taxes, and Benefits	871,691	827,301	922,994	1,750,295	-	2,621,986
Printing, Subscriptions, and Publications	3,566	24,642	3,623	28,265	-	31,831
Professional Fees	3,429	20,251	126,773	147,024	-	150,453
Rent and Utilities	53,940	42,598	44,889	87,487	-	141,427
Postage and Delivery	15,243	9,157	2,053	11,210	-	26,453
Travel	54	7,936	2,048	9,984	-	10,038
Meetings and Conferences	1,085	62,722	10,710	73,432	-	74,517
Office Supplies	59,928	4,767	3,436	8,203	-	68,131
Communications	14,555	12,744	8,274	21,018	-	35,573
Advertising and Media (Cash)	-	625	-	625	-	625
Repairs and Maintenance	3,510	2,772	3,352	6,124	-	9,634
Bad Debt Expense	473	373	394	767	-	1,240
Membership Dues	297	4,795	476	5,271	-	5,568
National Partnership Dues	356,994	64,457	74,374	138,831	-	495,825
Miscellaneous	18,649	96,530	14,621	111,151	-	129,800
Depreciation and Amortization	4,968	3,923	4,134	8,057	-	13,025
Special Event - Direct Donor Benefits	-	-	-	-	262,346	262,346
Total Expenses by Function	<u>6,369,652</u>	<u>1,185,593</u>	<u>1,222,151</u>	<u>2,407,744</u>	<u>262,346</u>	<u>9,039,742</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(262,346)</u>	<u>(262,346)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 6,369,652</u>	<u>\$ 1,185,593</u>	<u>\$ 1,222,151</u>	<u>\$ 2,407,744</u>	<u>\$ -</u>	<u>\$ 8,777,396</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2023 AND 2022**

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (565,765)	\$ 890,725
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation and Amortization	11,150	13,025
Amortization of Right-of-Use Asset, Finance Lease	1,994	-
Forgiveness of Paycheck Protection Program Loan	-	(479,795)
Bad Debt Expense	-	1,240
(Gain) Loss on Sale of Property and Equipment	293	-
Contributed Inventory	(70,285)	(80,642)
Change in Discount to Present Value of Contributions Receivable	(8,061)	-
Change in Operating Right-of-Use Assets and Lease Liabilities	81,109	-
(Increase) Decrease in Assets:		
Contributions Receivable	(549,773)	(788,649)
Due from Related Entities	5,118	(64,012)
Prepaid Expenses	65,803	(33,473)
Other Assets	169,831	(7,684)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(106,063)	267,216
Due to Related Entities	(34,496)	242,796
Other Liabilities	44,660	31,850
Deferred Rent	(99,212)	(13,817)
Net Cash Used by Operating Activities	(1,053,697)	(21,220)
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(11,269)	(6,846)
Net Cash Used by Investing Activities	(11,269)	(6,846)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Finance Lease Obligations	(1,829)	-
Net Cash Provided (Used) by Financing Activities	(1,829)	-
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(1,066,795)	(28,066)
Cash and Cash Equivalents - Beginning of Year	2,930,782	2,958,848
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,863,987	\$ 2,930,782
 <b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>		
Contributed Inventory	\$ 70,285	\$ 80,642
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 503,557	\$ -
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ 29,910	\$ -

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023 AND 2022**

**NOTE 1 ORGANIZATION**

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

**Cash and Cash Equivalents**

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

**Contributions Receivable**

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

**Leases**

The Foundation determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the statements of financial position.

ROU assets represent the Foundation's right to use an underlying asset for the lease term and lease liabilities represent the Foundation's obligation to make lease payments arising from the lease. ROU assets and liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. Lease terms may include options to extend or terminate the lease when it is reasonably certain that the Foundation will exercise that option. Lease expense for operating lease payments is recognized on a straight-line basis over the lease terms. The Foundation has elected to recognize payments for short-term leases with a lease term of 12 months or less as expense as incurred and these leases are not included as lease liabilities or right of use assets on the statements of financial position.

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023 AND 2022**

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

**Leases (Continued)**

The individual lease contracts do not provide information about the discount rate implicit in the lease. Therefore, the Foundation has elected to use a risk-free discount rate determined using a period comparable with that of the lease term for computing the present value of lease liabilities.

The Foundation has elected not to separate nonlease components from lease components and instead accounts for each separate lease component and the nonlease component as a single lease component.

**Property and Equipment, Net**

Property and equipment having a unit cost greater than \$500 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Property and equipment under capital leases (Fiscal Year 2022) are stated at the present value of future minimum lease payments at the time of acquisition. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally three to eight years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the leases. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances indicate a long-lived asset may be impaired, the asset value will be reduced to fair value. Fair value is determined through various valuation techniques including quoted market values and third-party independent appraisals, as considered necessary.

**Net Assets**

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restriction when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023 AND 2022**

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

**Net Assets (Continued)**

Contributions restricted by donors are reported as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as Net Assets Released from Restrictions.

**Revenue Recognition**

Revenue is recognized on the accrual basis and generally consists of contributions, special event revenue, in-kinds, and other income.

An internal special event is a fundraising event coordinated and staffed by Foundation personnel rather than a third-party support group or organization. It is designed to attract people for the purpose of raising mission awareness, for increasing funding from existing donors, and the cultivation of future donors.

Special event revenue consists of registrations, sponsorships, and other contributions. The exchange element of the special event revenue was approximately \$375,000 and \$262,000 for the years ended August 31, 2023 and 2022, respectively. The portion that is considered to be exchange revenue is recognized as revenue when the performance obligations are met which is the occurrence of the event.

The Foundation receives auction items to be sold at its special events. Contributed auction items are valued at the gross selling price received and the value is included in internal special event revenue on the statement of activities. The amount of auction items received and sold during the years ended August 31, 2023 and 2022 totaled \$297,350 and \$105,159, respectively.

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

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

Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023 AND 2022**

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

**Contributions: Donated Goods and Services**

The Foundation received in-kind contributions of assets, services, and materials that are reported in the statements of activities as follows:

	2023	2022
Wish Related Travel, Goods, and Services	\$ 2,899,276	\$ 2,829,601
Professional Services	-	8,899
Special Events	127,588	88,960
Other	8,891	60,924
Total Contributed Nonfinancial Assets and Services	\$ 3,035,755	\$ 2,988,384

Wish related travel, goods and other services are used in the wish granting program. The Foundation estimates the fair value of wish related travel, goods, and services on the basis of estimates of the current market rates for similar travel, goods and other services in the Foundation's market.

Professional services relate to donated legal services used for support services, and are valued and reported at the estimated fair value based on current rates for similar services.

Special event donated items are donated items recorded at fair value that are used in facilitating the event. Examples of such donated items are generally food, beverage, facility costs, and auction items. The Foundation estimates the fair value of these donated items based on the current market rates for similar items in the Foundation's market.

In-kind contributions related to wish granting are restricted to be used in granting wishes. In-kind contributions related to special events are restricted for use at those events. No other in-kind contributions were received with donor restrictions.

**Income Taxes**

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

Management believes that no uncertain tax positions exist for the Foundation at August 31, 2023 and 2022. The Foundation files income tax returns in the U.S. federal jurisdiction, and state jurisdictions.

**Functional Expenses**

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

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023 AND 2022**

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

**Functional Expenses (Continued)**

Wish Granting

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

Fundraising

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

Management and General

All costs not identifiable with a single program or fundraising activity, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment, and other expenses.

Expenses that benefit more than one function of the Foundation are allocated among the functions based generally on the amount of time spent by employees on each function.

**Deferred Rent (ASC 840)**

The Foundation accounts for rent expense evenly over the term of the lease using the straight-line method. The unamortized deferred rent was \$99,212 at August 31, 2022.

**Management Estimates**

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

**Adoption of Accounting Pronouncement**

In February 2016, The Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases (Topic 842)*. This new standard increases transparency and comparability among organizations by requiring the recognition of right-of-use (ROU) assets and lease liabilities on the statement of financial position. Most prominent among the changes in the standard is the recognition of ROU assets and lease liabilities by lessees for those leases classified as operating leases. Under the standard, disclosures are required to meet the objective of enabling users of financial statements to assess the amount, timing, and uncertainty of cash flows arising from leases.

The Foundation adopted the requirements of the guidance effective September 1, 2022, and has elected to apply the provisions of this standard to the beginning of the period of adoption.

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023 AND 2022**

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

**Adoption of Accounting Pronouncement (Continued)**

The Foundation has elected to adopt the package of practical expedients available in the year of adoption. The Foundation has elected to adopt the available practical expedient to use hindsight in determining the lease term and in assessing impairment of the Foundation's ROU assets.

Lease disclosures for the year ended August 31, 2022 are made under prior lease guidance in FASB ASC 840.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

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

	<u>2023</u>	<u>2022</u>
Total Financial Assets	\$ 3,413,689	\$ 3,927,768
Donor-Imposed Restrictions:		
Restricted Funds	<u>(836,548)</u>	<u>(603,623)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,577,141</u>	<u>\$ 3,324,145</u>

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

**NOTE 4 CONTRIBUTIONS RECEIVABLE**

Contributions receivable include pledges that have been discounted at a rate of 4.2% at August 31, 2023 and 0% at August 31, 2022. The following is a summary of the Foundation's contributions receivable at August 31:

	<u>2023</u>	<u>2022</u>
Total Amounts Due in:		
Within One Year	\$ 1,163,967	\$ 798,072
One to Five Years	<u>200,000</u>	<u>-</u>
Gross Contributions Receivable	1,363,967	798,072
Less Discount to Present Value	<u>(8,061)</u>	<u>-</u>
Contributions Receivable, Net	<u>\$ 1,355,906</u>	<u>\$ 798,072</u>



**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023 AND 2022**

**NOTE 5 TRANSACTIONS WITH RELATED ENTITIES**

The Foundation received the following distributions from the National Organization for the years ended August 31:

	<u>2023</u>	<u>2022</u>
Corporate, Online, Whitemail, and General Contributions	\$ 776,027	\$ 988,813
Direct Mail	117,950	157,137
BBVA Compass P-Card Rebates	-	17,432
High Cost Wishes	-	93,000
Total Distributions Received	<u>\$ 893,977</u>	<u>\$ 1,256,382</u>

These amounts are recorded in the statements of activities as public support revenue.

As part of the National Organization's Wish Fulfillment Fund, chapters may apply for funds that have been donated by other chapters to underwrite the cost of wishes. Under this program, the Foundation received \$21,034 and \$153,692 during the years ended August 31, 2023 and 2022, respectively.

The Foundation paid to the National Organization the following amounts for the years ended August 31:

	<u>2023</u>	<u>2022</u>
Chapter Dues	\$ 541,937	\$ 495,825
Services and Other	160,978	127,989
Total Amounts Paid	<u>\$ 702,915</u>	<u>\$ 623,814</u>

Chapters who assist with the organization and granting of wishes from other chapters are paid a "fee for service" called the wish asset fee. Under this program, the originating chapter agrees to pay a fee to the chapter of the wish destination to assist with any planning, booking, and facilitating of the wish for the home chapter. Under this program, the Foundation received \$8,550 and \$7,600, respectively, during the years ended August 31, 2023 and 2022, which is recorded in the accompanying statements of activities as Other Income.

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

	<u>2023</u>	<u>2022</u>
Due from National Organization	\$ 162,622	\$ 176,170
Due from Other Chapters	31,174	22,744
Total Due from Related Entities	<u>\$ 193,796</u>	<u>\$ 198,914</u>
Due to National Organization	\$ 5,655	\$ 18,394
Due to Other Chapters	204,949	226,706
Total Due to Related Entities	<u>\$ 210,604</u>	<u>\$ 245,100</u>

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023 AND 2022**

**NOTE 5 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)**

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

During the years ended August 31, 2023 and 2022 the Foundation received contributions, both cash and in-kind, from board members totaling \$1,153,185 and \$267,382, respectively. Amounts paid to related parties for goods and services used in the Foundation's operations totaled \$630,691 and \$387,793 for the years ended August 31, 2023 and 2022, respectively.

**NOTE 6 PROPERTY AND EQUIPMENT, NET**

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

	2023	2022
Computer Equipment and Software	\$ 85,450	\$ 270,377
Other Equipment	48,849	87,021
Leasehold Improvements	294,694	294,694
Total	428,993	652,092
Less: Accumulated Depreciation and Amortization	(405,663)	(628,588)
Property and Equipment, Net	\$ 23,330	\$ 23,504

Depreciation and amortization totaled \$13,144 and \$13,026 for the years ended August 31, 2023 and 2022.

**NOTE 7 LEASES**

**Lease Agreements - ASC 842**

The Foundation leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2028.

The following tables provides quantitative information concerning the Foundation's leases:

	2023
Lease Cost:	
Finance Lease Cost:	
Amortization of Right-of-Use Assets	\$ 1,994
Interest on Lease Liabilities	348
Operating Lease Cost	136,010
Total Lease Cost	\$ 138,352

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023 AND 2022**

**NOTE 7 LEASES (CONTINUED)**

**Lease Agreements - ASC 842 (Continued)**

Other Information:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities	
Operating Cash Flows from Financing Leases	\$ 348
Operating Cash Flows from Operating Leases	154,113
Financing Cash Flows from Financing Leases	1,829
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	29,910
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	503,557
Weighted-Average Remaining Leases Term - Financing Leases	4.6 years
Weighted Average Remaining Lease Term - Operating Leases	3.0 years
Weighted-Average Discount Rate - Financing Leases	3.64%
Weighted-Average Discount Rate - Operating Leases	3.30%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of August 31, 2023, is as follows:

<u>Year Ending August 31</u>	Operating Leases	Finance Leases
2024	\$ 158,487	\$ 6,532
2025	163,017	6,532
2026	167,635	6,532
2027	-	6,532
2028	-	4,355
Total Lease Payments	489,140	30,484
Less: Imputed Interest	(23,066)	(2,403)
Present Value of Lease Liabilities	<u>\$ 466,074</u>	<u>\$ 28,081</u>

**Lease Agreements – ASC 840**

The Foundation is obligated under an operating lease for office space through August 31, 2026. Total rent expense for all operating leases for the years ended August 31, 2022 totaled \$136,010.

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023 AND 2022**

**NOTE 8 NET ASSETS**

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

	2023	2022
Subject to Expenditure for Specified Purpose:		
Wish Granting	\$ 444,611	\$ 581,885
Subject to Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	391,937	21,738
Total Donor-Restricted Net Assets	\$ 836,548	\$ 603,623

**NOTE 9 RETIREMENT PLAN**

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of one year of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain Internal Revenue Code limitations. The Foundation matches employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2023 and 2022, were \$55,663 and \$53,729, respectively.

**NOTE 10 CONCENTRATIONS OF CREDIT RISK**

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

Contributions totaling \$1,244,851 were received from a single donor (Give Kids the World), for the year ended August 31, 2023, which represents 12% of raised revenue which consists of total public support and gross internal special event revenue. Should these contribution levels decrease, the Foundation may be adversely affected.

**NOTE 11 LITIGATION AND CLAIMS**

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

**MAKE-A-WISH FOUNDATION® OF GEORGIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2023 AND 2022**

**NOTE 12 COMMITMENTS**

The goal of the Foundation is to grant the wish of every eligible child. During the years ending August 31, 2023 and 2022, the Foundation granted 477 and 468 wishes, respectively. As of August 31, 2023 and 2022, respectively, there were approximately 834 and 890 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2023, was \$5,846 in cash and \$6,363 in in-kind for a total cost of \$12,209. The average cost of a wish for the year ended August 31, 2022, was \$6,500 in cash and \$3,820 in in-kind for a total cost of \$10,320.

**NOTE 13 RISKS AND UNCERTAINTIES**

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

As of September 15, 2021, in consultation with the NMAC, the pause on domestic travel to large gatherings was lifted, if travel occurred by automobile. The pause on airline travel was lifted December 1, 2021 with a graduated approach with full domestic travel resuming June of 2022. International and cruise wish travel is still paused as of August 31, 2022. Prior to fiscal year 2020, travel wishes have been approximately 81% of wishes granted and the number of granted wishes averaged approximately 372. The number of wishes granted during the years ended August 31, 2023 and 2022, was 477 and 468, respectively.

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

**NOTE 14 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through February 2, 2024, the date at which the financial statements were available to be issued.



CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See [CLAGlobal.com/disclaimer](http://CLAGlobal.com/disclaimer). Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.