

**MAKE-A-WISH FOUNDATION®  
OF MISSOURI AND KANSAS**

**FINANCIAL STATEMENTS**

**YEARS ENDED AUGUST 31, 2023 AND 2022**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Missouri and Kansas  
Ballwin, Missouri

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

#### ***Opinion***

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Missouri and Kansas (a nonprofit organization), 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 Missouri and Kansas 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 Missouri and Kansas 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 Missouri and Kansas' 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 Missouri and Kansas' 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 Missouri and Kansas' 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**

Phoenix, Arizona  
March 28, 2024

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

	2023	2022
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 650,756	\$ 732,195
Investments	2,007,633	2,875,099
Due from Related Entities	164,047	160,675
Prepaid Expenses	295,087	468,028
Contributions Receivable, Net	1,045,892	1,081,766
Other Assets	28,985	28,562
Investments Held for Long-Term Purposes	759,703	678,767
Right-of-Use Assets - Operating	1,111,910	-
Right-of-Use Assets - Financing	20,908	-
Property and Equipment, Net	53,988	25,077
Beneficial Interest in Assets Held by Others	657,513	634,383
	\$ 6,796,422	\$ 6,684,552
Total Assets		
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 504,884	\$ 462,649
Due to Related Entities	211,357	111,382
Deferred Rent	-	8,601
Capital Lease Obligation	-	8,886
Lease Liability - Operating	1,160,089	-
Lease Liability - Financing	20,978	-
Total Liabilities	1,897,308	591,518
<b>NET ASSETS</b>		
Without Donor Restrictions	2,494,006	3,729,118
With Donor Restrictions	2,405,108	2,363,916
Total Net Assets	4,899,114	6,093,034
Total Liabilities and Net Assets	\$ 6,796,422	\$ 6,684,552

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS**  
**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	\$ 3,246,822	\$ 192,584	\$ 3,439,406
Contributions, Donated Goods and Services	1,548,614	665,208	2,213,822
Grants	40,900	-	40,900
Total Public Support	4,836,336	857,792	5,694,128
Internal Special Events, Cash	1,952,857	-	1,952,857
Less: Costs of Direct Benefits to Donors	(361,791)	-	(361,791)
Total Internal Special Events	1,591,066	-	1,591,066
Investment Income, Net	172,870	82,346	255,216
Other Income, Net	8,100	-	8,100
Change in Beneficial Interest in Assets Held by Others	-	23,131	23,131
Net Assets Released from Restrictions	922,077	(922,077)	-
Total Revenues, Gains, and Other Support	7,530,449	41,192	7,571,641
<b>EXPENSES</b>			
Program Services:			
Wish Granting	6,291,845	-	6,291,845
Support Services:			
Fundraising	1,544,597	-	1,544,597
Management and General	929,308	-	929,308
Total Support Services	2,473,905	-	2,473,905
Total Expenses	8,765,750	-	8,765,750
<b>OTHER GAINS</b>			
Gains on Sale of Equipment	189	-	189
<b>CHANGE IN NET ASSETS</b>	(1,235,112)	41,192	(1,193,920)
Net Assets - Beginning of Year	3,729,118	2,363,916	6,093,034
<b>NET ASSETS - END OF YEAR</b>	\$ 2,494,006	\$ 2,405,108	\$ 4,899,114

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Cash	\$ 3,078,934	\$ 25,000	\$ 3,103,934
Contributions, Donated Goods and Services	1,198,845	834,912	2,033,757
Grants	27,689	-	27,689
Total Public Support	<u>4,305,468</u>	<u>859,912</u>	<u>5,165,380</u>
Internal Special Events, Cash	2,082,658	-	2,082,658
Less: Costs of Direct Benefits to Donors	<u>(281,846)</u>	<u>-</u>	<u>(281,846)</u>
Total Internal Special Events	1,800,812	-	1,800,812
Investment Income, Net	(408,109)	(126,273)	(534,382)
Forgiveness of Paycheck Protection Program Loan	406,682	-	406,682
Other Income, Net	1,875	-	1,875
Change in Beneficial Interest in Assets Held by Others	-	(163,396)	(163,396)
Net Assets Released from Restrictions	<u>186,134</u>	<u>(186,134)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	6,292,862	384,109	6,676,971
<b>EXPENSES</b>			
Program Services:			
Wish Granting	4,682,444	-	4,682,444
Support Services:			
Fundraising	1,294,932	-	1,294,932
Management and General	735,345	-	735,345
Total Support Services	<u>2,030,277</u>	<u>-</u>	<u>2,030,277</u>
Total Expenses	<u>6,712,721</u>	<u>-</u>	<u>6,712,721</u>
<b>CHANGE IN NET ASSETS</b>	(419,859)	384,109	(35,750)
Net Assets - Beginning of Year	<u>4,148,977</u>	<u>1,979,807</u>	<u>6,128,784</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 3,729,118</u>	<u>\$ 2,363,916</u>	<u>\$ 6,093,034</u>

See accompanying Notes to Financial Statements.

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

	Program Services	Support Services				Total
	Wish Granting	Fundraising	Management and General	Total Support Services	Direct Donor Benefits	
Direct Costs of Wishes	\$ 4,763,246	\$ -	\$ -	\$ -	\$ -	\$ 4,763,246
Salaries, Taxes, and Benefits	1,017,101	1,017,100	446,532	1,463,632	-	2,480,733
Printing, Subscriptions, and Publications	17,988	33,886	2,184	36,070	-	54,058
Professional Fees	17,606	172,666	228,132	400,798	-	418,404
Rent and Utilities	62,351	63,025	26,970	89,995	-	152,346
Postage and Delivery	13,293	3,599	442	4,041	-	17,334
Travel	2,594	39,558	6,989	46,547	-	49,141
Meetings and Conferences	4,913	24,981	89,576	114,557	-	119,470
Office Supplies	4,675	6,107	743	6,850	-	11,525
Communications	11,883	11,870	5,211	17,081	-	28,964
Advertising and Media (Cash)	420	5,134	44	5,178	-	5,598
Repairs and Maintenance	982	982	429	1,411	-	2,393
Membership Dues	1,846	1,917	811	2,728	-	4,574
National Partnership Dues	337,888	77,231	67,578	144,809	-	482,697
Miscellaneous	26,968	78,450	50,117	128,567	-	155,535
Depreciation and Amortization	8,091	8,091	3,550	11,641	-	19,732
Special Event - Direct Donor Benefits	-	-	-	-	361,791	361,791
Total	<u>6,291,845</u>	<u>1,544,597</u>	<u>929,308</u>	<u>2,473,905</u>	<u>361,791</u>	<u>9,127,541</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(361,791)</u>	<u>(361,791)</u>
 Total Expenses Included in the Expense Section of the Statement of Activities	<u><u>\$ 6,291,845</u></u>	<u><u>\$ 1,544,597</u></u>	<u><u>\$ 929,308</u></u>	<u><u>\$ 2,473,905</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 8,765,750</u></u>

See accompanying Notes to Financial Statements.



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

	Program Services	Support Services				Total
	Wish Granting	Fundraising	Management and General	Total Support Services	Direct Donor Benefits	
Direct Costs of Wishes	\$ 3,423,660	\$ -	\$ -	\$ -	\$ -	\$ 3,423,660
Salaries, Taxes, and Benefits	801,009	813,427	455,354	1,268,781	-	2,069,790
Printing, Subscriptions, and Publications	8,011	23,575	1,027	24,602	-	32,613
Professional Fees	9,515	144,525	134,791	279,316	-	288,831
Rent and Utilities	24,773	26,334	14,083	40,417	-	65,190
Postage and Delivery	13,394	3,108	655	3,763	-	17,157
Travel	3,496	30,794	5,012	35,806	-	39,302
Meetings and Conferences	6,614	48,863	21,605	70,468	-	77,082
Office Supplies	17,747	5,734	447	6,181	-	23,928
Communications	11,357	11,512	6,433	17,945	-	29,302
Advertising and Media (Cash)	438	4,643	-	4,643	-	5,081
Advertising and Media (In-Kind)	-	41,000	-	41,000	-	41,000
Repairs and Maintenance	697	708	395	1,103	-	1,800
Membership Dues	888	3,159	504	3,663	-	4,551
National Partnership Dues	332,805	60,090	69,335	129,425	-	462,230
Miscellaneous	20,720	70,026	21,542	91,568	-	112,288
Depreciation and Amortization	7,320	7,434	4,162	11,596	-	18,916
Special Event - Direct Donor Benefits	-	-	-	-	281,846	281,846
Total	4,682,444	1,294,932	735,345	2,030,277	281,846	6,994,567
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(281,846)	(281,846)
 Total Expenses Include in the Expense Section of the Statement of Activities	<u>\$ 4,682,444</u>	<u>\$ 1,294,932</u>	<u>\$ 735,345</u>	<u>\$ 2,030,277</u>	<u>\$ -</u>	<u>\$ 6,712,721</u>

See accompanying Notes to Financial Statements.

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

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (1,193,920)	\$ (35,750)
Adjustments to reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation and Amortization	14,669	18,916
Amortization of Right-of-Use Asset, Finance Lease	5,063	-
Forgiveness of Paycheck Protection Program Loan	-	(406,682)
Net Realized and Unrealized Losses (Gains) on Investments	(225,407)	566,074
Gain on Disposal of Property and Equipment	(189)	-
Change in Beneficial Interest in Assets Held by Others	(23,131)	163,395
Change in Discount to Present Value of Contributions Receivable	(1,588)	(896)
Change in Operating Right-of-Use Assets and Lease Liabilities	39,578	-
(Increase) Decrease in Assets:		
Contributions Receivable	37,462	(737,212)
Due from Related Entities	(3,372)	(57,556)
Prepaid Expenses	172,941	(226,857)
Other Assets	(423)	(10,260)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	42,235	29,874
Due to Related Entities	99,975	96,991
Deferred Rent	-	(1,304)
Net Cash Used by Operating Activities	(1,036,107)	(601,267)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(772,559)	(1,698,062)
Proceeds from Sales of Investments	1,784,496	996,198
Purchases of Property and Equipment	(52,046)	(4,661)
Net Cash Provided (Used) by Investing Activities	959,891	(706,525)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Capital Lease Obligations	-	(5,054)
Principal Payments on Finance Lease Obligations	(5,223)	-
Cash Collected on Contributions Restricted for Long-Term Investment	-	250,000
Net Cash Provided (Used) by Financing Activities	(5,223)	244,946
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(81,439)	(1,062,846)
Cash and Cash Equivalents - Beginning of Year	732,195	1,795,041
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 650,756	\$ 732,195
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash Paid For Interest	\$ 362	\$ 466
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 1,185,076	\$ -
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ 17,286	\$ -

See accompanying Notes to Financial Statements.

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

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of Missouri and Kansas (the Foundation) is a Missouri 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 entered into 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 (GAAP) applicable to nonprofit entities.

**Cash and Cash Equivalents**

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

**Investments**

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

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

**Contributions Receivable**

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

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

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

**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.

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 3 to 10 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.

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

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

**Fair Value Measurements**

Fair value measurements of financial assets and financial liabilities and fair value measurements of nonfinancial items are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Foundation determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

*Level 1* – Unadjusted quoted prices in active markets for identical assets (or liabilities) that the reporting entity has the ability to access at the measurement date.

*Level 2* – Prices for a similar asset (or liability), other than quoted prices included in Level 1 inputs, that are observable for the asset (or liability), either directly or indirectly. If the asset (or liability) has a specified term, a Level 2 input must be observable for substantially the full term of the asset (or liability).

*Level 3* – Unobservable inputs for the asset (or liability) used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset (or liability) at measurement date.

**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 MISSOURI AND KANSAS**  
**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 \$362,000 and \$282,000 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 \$174,421 and \$59,365, respectively.

Donated advertising and media is reported as contribution revenue and fundraising expense when received and the reporting of such contributions is unaffected by whether the Foundation could afford to purchase or would have purchased the assets at their fair value.

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

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

**MAKE-A-WISH FOUNDATION® OF MISSOURI AND KANSAS**  
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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition (Continued)**

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

**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	\$ 2,121,348	\$ 1,963,654
Professional Services	75,300	2,300
Contributed Office Space	7,500	-
Advertising and Media	-	41,000
Other	9,674	26,803
Total Contributed Nonfinancial Assets and Services	\$ 2,213,822	\$ 2,033,757

Wish related travel, goods and 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 coaching sessions and legal services used for support services, and are valued and reported at the estimated fair value based on current rates for similar services.

Contributed office space is valued and reported at the estimated fair value on the basis of comparable lease agreements in the Foundation's market. Contributed office space is used for both program and supporting services.

Donated advertising and media is reported at the estimated fair value as provided by the donor based on rates charged for similar advertising or media. Advertising and media is used for both program and supporting services. Advertising and media is used to help the Foundation communicate its message or mission and includes fundraising materials, informational material, or advertising, and maybe in the form of an audio or video tape of a public service announcement, a layout for a newspaper, media time or space for public service announcements, or other purposes.

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.

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

**Income Taxes**

The Foundation is a nonprofit organization exempt from federal income taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3) and Section 144.0302(20) of the Revised Statutes of Missouri. 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 applicable state jurisdictions.

**Functional Expenses**

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

**Wish Granting**

Activities performed by the Foundation 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 the specific programs or fundraising activities, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general record keeping, 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 included within other liabilities was \$8,601 at August 31, 2022.



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

**Management Estimates**

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

**Adoption of Accounting Pronouncement**

In 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.

The Foundation has elected to adopt the package of practical expedients available in the year of adoption, including the use of 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 to 24 months of liquidity is considered excellent based off the enterprise-wide published scale.

	<u>2023</u>	<u>2022</u>
Total Financial Assets	\$ 4,628,031	\$ 5,528,502
Donor Imposed Restrictions:		
Restricted Funds for Time and Purpose	(987,892)	(1,050,766)
Endowments	<u>(759,703)</u>	<u>(678,767)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,880,436</u>	<u>\$ 3,798,969</u>

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**NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)**

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.

Endowment funds consist of donor-restricted endowments. Income from donor-restricted endowments is restricted for specific purposes, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

**NOTE 4 FAIR VALUE MEASUREMENTS**

**Fair Value of Financial Instruments**

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair values of the financial instruments shown in the following tables as of August 31, 2023 and 2022 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

**Overall Investment Objective**

The overall investment objective of the Foundation is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation. The Foundation diversifies its investments among various asset classes incorporating multiple strategies and managers. Major investment decisions are authorized by the board's finance committee, which oversees the Foundation's investment program in accordance with established guidelines.

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

**Fair Value Hierarchy**

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

<u>August 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Assets Not Held at Fair Value</u>	<u>Total</u>
Assets:					
Investments:					
Mutual Funds	\$ 225,554	\$ -	\$ -	\$ -	\$ 225,554
Exchange Traded Funds	332,769	-	-	-	332,769
Equity Securities	1,498,879	-	-	-	1,498,879
Certificates of Deposit	-	221,017	-	-	221,017
Debt Securities	-	297,627	-	-	297,627
Cash	-	-	-	191,490	191,490
Total Investments	<u>2,057,202</u>	<u>518,644</u>	<u>-</u>	<u>191,490</u>	<u>2,767,336</u>
Beneficial Interest in Trust	<u>-</u>	<u>-</u>	<u>657,513</u>	<u>-</u>	<u>657,513</u>
Total Assets	<u><u>\$ 2,057,202</u></u>	<u><u>\$ 518,644</u></u>	<u><u>\$ 657,513</u></u>	<u><u>\$ 191,490</u></u>	<u><u>\$ 3,424,849</u></u>
<u>August 31, 2022</u>					
Assets:					
Investments:					
Mutual Funds	\$ 221,312	\$ -	\$ -	\$ -	\$ 221,312
Exchange Traded Funds	523,259	-	-	-	523,259
Equity Securities	1,770,688	-	-	-	1,770,688
Certificates of Deposit	-	523,508	-	-	523,508
Debt Securities	-	360,015	-	-	360,015
Cash	-	-	-	155,084	155,084
Total Investments	<u>2,515,259</u>	<u>883,523</u>	<u>-</u>	<u>155,084</u>	<u>3,553,866</u>
Beneficial Interest in Trust	<u>-</u>	<u>-</u>	<u>634,383</u>	<u>-</u>	<u>634,383</u>
Total Assets	<u><u>\$ 2,515,259</u></u>	<u><u>\$ 883,523</u></u>	<u><u>\$ 634,383</u></u>	<u><u>\$ 155,084</u></u>	<u><u>\$ 4,188,249</u></u>

For the valuation of Certificates of Deposit and Debt Securities at August 31, 2023 and 2022, the Foundation used significant other observable inputs, particularly dealer market prices for comparable investments as of the valuation date (Level 2).

There were no purchases, sales, transfers in or transfers out of Level 3 investments for the years ended August 31, 2023 and 2022.

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

**Fair Value Hierarchy (Continued)**

The following table describes the valuation techniques used to calculate fair value for assets in Level 3. There were no changes in valuation techniques and related inputs from the prior year.

Quantitative Information About Level 3 Fair Value Measurements			
Type of Assets	Fair Value at August 31, 2023	Principal Valuation Technique	Unobservable Inputs
Beneficial Interests in Trusts Held by Others	\$ 657,513	Fair Market Value of Investments	Value of Underlying Assets
Type of Assets	Fair Value at August 31, 2022	Principal Valuation Technique	Unobservable Inputs
Beneficial Interests in Trusts Held by Others	\$ 634,383	Fair Market Value of Investments	Value of Underlying Assets

**NOTE 5 CONTRIBUTIONS RECEIVABLE**

Contributions receivable include pledges that have been discounted at 4.20% and 3.27% at August 31, 2023 and 2022, respectively. The following is a summary of the Foundation's contributions receivable at August 31:

	2023	2022
Total Amounts Due in:		
Within One Year	\$ 893,308	\$ 985,094
One to Five Years	160,000	102,500
Gross Contributions Receivable	1,053,308	1,087,594
Less: Discount to Present Value	(7,416)	(5,828)
Contributions Receivable, Net	\$ 1,045,892	\$ 1,081,766

**NOTE 6 SPLIT-INTEREST AGREEMENTS**

**Beneficial Interest in Trust**

The Foundation is a named income beneficiary on a perpetual trust, the corpus of which is not controlled by the management of the Foundation. Under this arrangement, the Foundation has the irrevocable right to receive all or a portion of the income earned on the underlying assets held in perpetuity. Accordingly, permanently restricted contribution revenue and the related assets are recognized at fair value in the period in which the Foundation received notice that the agreement conveys an unconditional right to receive benefits. Subsequent changes in the value of the underlying assets are recorded in the accompanying statement of activities as a change in value of beneficial interest in assets held by others. During the years ended August 31, 2023 and 2022, respectively, the Foundation's beneficial interest in the trust was \$657,513 and \$634,383.

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**NOTE 7 TRANSACTIONS WITH RELATED ENTITIES**

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel, and training scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the years ended August 31, 2023 and 2022, respectively, the Foundation received \$909,335 and \$1,129,353 from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amounts totaling \$611,504 and \$578,532 were paid from the Foundation to the National Organization during the years ended August 31, 2023 and 2022, respectively.

Chapters who assist with the organization and granting of wishes from other chapters are paid a “fee for service” called the wish assist fee. Under this program, the originating chapter agrees to pay a fee to the chapter of the wish destination to assist with any planning, booking, and facilitating of the wish for the home chapter. Under this program, the Foundation received \$8,100 and \$1,875, respectively, for 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	\$ 139,146	\$ 142,399
Due from Other Chapters	24,901	18,276
Total Due from Related Entities	<u>\$ 164,047</u>	<u>\$ 160,675</u>
Due to National Organization	\$ 120,527	\$ 872
Due to Other Chapters	90,830	110,510
Total Due to Related Entities	<u>\$ 211,357</u>	<u>\$ 111,382</u>

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

During the years ended August 31, 2023 and 2022, the Foundation received contributions, both cash and in-kind, from board members totaling \$191,309 and \$64,127, respectively.

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**NOTE 8 PROPERTY AND EQUIPMENT, NET**

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

	2023	2022
Computer Equipment and Software	\$ 60,186	\$ 94,279
Leasehold Improvements	59,316	59,316
Office Furniture and Other Equipment	50,779	43,574
Subtotal	170,281	197,169
Less: Accumulated Depreciation and Amortization	(116,293)	(172,092)
Property and Equipment, Net	\$ 53,988	\$ 25,077

Depreciation and amortization expense totaled \$19,732 and \$18,916, respectively, for the years ended August 31, 2023 and 2022.

**NOTE 9 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 October 2033.

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

Lease Cost:

Finance Lease Cost:

Amortization of Right-of-Use Assets	\$ 5,063
Interest on Lease Liabilities	362
Operating Lease Cost	114,690
Total Lease Cost	\$ 120,115

Other Information:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Financing Leases	\$ 362
Operating Cash Flows from Operating Leases	\$ 75,112
Financing Cash Flows from Financing Leases	\$ 5,035
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	\$ 17,286
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 1,185,076
Weighted-Average Remaining Lease Term - Financing Leases	4.8 Years
Weighted Average Remaining Lease Term - Operating Leases	10.1 Years
Weighted-Average Discount Rate - Financing Leases	4.15%
Weighted-Average Discount Rate - Operating Leases	4.21%

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**NOTE 9 LEASES (CONTINUED)**

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

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>	<u>Operating Leases</u>	<u>Finance Leases</u>
2024	\$ 129,577	\$ 4,781
2025	132,202	4,781
2026	134,827	4,781
2027	136,103	4,781
2028	138,458	3,985
Thereafter	761,618	-
Total Lease Payments	<u>1,432,785</u>	<u>23,109</u>
Less: Imputed Interest	<u>(272,696)</u>	<u>(2,131)</u>
Present Value of Lease Liabilities	<u><u>\$ 1,160,089</u></u>	<u><u>\$ 20,978</u></u>

**Lease Agreements – ASC 840**

The Foundation is obligated under various capital and operating leases for offices and equipment, which expire at various dates through August 2028. As of August 31, 2022, the cost of leased property and equipment under capital leases was \$15,581 and accumulated depreciation was \$6,925. Total rent expense for all operating leases for the year ended August 31, 2022 totaled \$63,722.

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**NOTE 10 NET ASSETS**

**Net Assets With Donor Restrictions**

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

	<u>2023</u>	<u>2022</u>
Subject to Expenditure for Specified Purpose:		
Wish Granting	\$ 665,208	\$ 859,912
Grants and Other Restricted Cash	40,000	65,000
Total	<u>705,208</u>	<u>924,912</u>
Subject to Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	<u>282,684</u>	<u>125,854</u>
Total	282,684	125,854
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	69,703	(11,233)
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
August Busch Endowment	150,000	150,000
Potter Endowment	500,000	500,000
Kansas Endowment	40,000	40,000
Total	<u>759,703</u>	<u>678,767</u>
Not Subject to Spending Policy or Appropriation:		
Beneficial Interest in Trust	<u>657,513</u>	<u>634,383</u>
Total	<u>657,513</u>	<u>634,383</u>
 Total Donor-Restricted Net Assets	 <u><u>\$ 2,405,108</u></u>	 <u><u>\$ 2,363,916</u></u>

**NOTE 11 ENDOWMENT**

The Foundation is subject to the enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and is required to make disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

The Foundation's endowment consists of three restricted funds as of August 31, 2023 and 2022. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets, both donor-restricted and board-designated, are reflected as investments held for long-term purposes on the statements of financial position.



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**NOTE 11 ENDOWMENT (CONTINUED)**

**Interpretation of Relevant Law**

The board of directors of the Foundation has interpreted the Missouri and Kansas UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as donor-restricted net assets: (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulated earnings on the donor-restricted endowment funds. The accumulated earnings on the endowment funds remain treated as donor-restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in deciding to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

Endowment fund composition by type of fund as of August 31 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
<u>August 31, 2023</u>			
Donor-Restricted Endowment Funds:			
August Busch Endowment Fund	\$ -	\$ 214,895	\$ 214,895
Potter Endowment	-	506,241	506,241
Kansas Endowment	-	38,567	38,567
Total Funds	<u>\$ -</u>	<u>\$ 759,703</u>	<u>\$ 759,703</u>
<u>August 31, 2022</u>			
Donor-Restricted Endowment Funds			
August Busch Endowment Fund	\$ -	\$ 189,605	\$ 189,605
Potter Endowment	-	448,939	448,939
Kansas Endowment	-	40,223	40,223
Total Funds	<u>\$ -</u>	<u>\$ 678,767</u>	<u>\$ 678,767</u>

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**NOTE 11 ENDOWMENT (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

Changes in endowment funds are as follows for the years ended August 31:

<u>August 31, 2023</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds - Beginning of Year	\$ -	\$ 678,767	\$ 678,767
Investment Return:			
Investment Income	-	1,452	1,452
Net Appreciation (Realized and Unrealized)	-	80,894	80,894
Total Investment Return	-	82,346	82,346
Contribution	-	-	-
Appropriation of Endowment	-	(1,410)	(1,410)
Endowment Funds - End of Year	<u>\$ -</u>	<u>\$ 759,703</u>	<u>\$ 759,703</u>
<u>August 31, 2022</u>			
Endowment Funds - Beginning of Year	\$ -	\$ 556,450	\$ 556,450
Investment Return:			
Investment Income	-	711	711
Net Depreciation (Realized and Unrealized)	-	(126,984)	(126,984)
Total Investment Return	-	(126,273)	(126,273)
Contributions	-	250,000	250,000
Appropriation of Endowment	-	(1,410)	(1,410)
Endowment Funds - End of Year	<u>\$ -</u>	<u>\$ 678,767</u>	<u>\$ 678,767</u>

**Fund Deficiencies**

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. As of August 31, 2023, one endowment fund was underwater by \$1,433. As of August 31, 2022, one endowment fund was underwater \$51,061. These deficiencies, which the Foundation believes are temporary, resulted from unfavorable market fluctuations.

**Return Objectives and Risk Parameters**

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment fund while seeking to maintain the purchasing power of the endowment assets.

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**NOTE 11 ENDOWMENT (CONTINUED)**

**Strategies Employed for Achieving Objectives**

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent constraints.

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Foundation does not have a spending policy that mandates specific annual distributions. As operational needs are identified, the board may elect to make distributions from the endowment assets.

**NOTE 12 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 six months of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC 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 \$39,774 and \$34,875, respectively.

**NOTE 13 CONCENTRATIONS OF CREDIT RISK**

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

Contributions totaling \$1,669,180 and \$1,417,604 were received from one donor for the years ended August 31, 2023 and 2022, which represents 22% and 20% of raised revenue, respectively, which consists of total public support and gross internal special event revenue. Should these contribution levels decrease, the Foundation may be adversely affected.

For the years ended August 31, 2023 and 2022, two and one donors represent 83% and 77% of the contributions receivable balance, respectively. Should these contribution levels decrease, the Foundation may be adversely affected.

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**NOTE 14 LITIGATION AND CLAIMS**

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

**NOTE 15 COMMITMENTS**

The goal of the Foundation is to grant the wish of every eligible child. During the years ended August 31, 2023 and 2022, the Foundation granted 438 and 345 wishes, respectively. As of both August 31, 2023 and 2022, respectively, there were approximately 650 and 550 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2023 was \$5,842 in cash and \$4,964 in in-kind for a total cost of \$10,806. The average cost of a wish for the year ended August 31, 2022 was \$6,713 in cash and \$2,257 in in-kind for a total cost of \$8,970.

**NOTE 16 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, 2023. Prior to fiscal year 2020, travel wishes have been approximately 78% of wishes granted and the number of granted wishes averaged approximately 414. The number of wishes granted during the years ended August 31, 2023 and 2022 was 438 and 345, respectively.

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

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

**NOTE 17 PAYCHECK PROTECTION PROGRAM**

The Foundation applied for and was approved for a \$406,682 loan under second round of Paycheck Protection Program funding created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan was received on February 25, 2021. The loan accrues interest at 1%, with the first 10 months of interest deferred, has a term of five years and is unsecured and guaranteed by the Small Business Administration. The Foundation is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The Foundation received forgiveness of \$406,682 on October 25, 2021.

The SBA may review funding eligibility and usage of funds for compliance with program requirements based on dollar thresholds and other factors. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; however, management is of the opinion that any review will not have a material adverse impact on the Foundation's financial position.

**NOTE 18 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through March 28, 2024, the date at which the financial statements were available to be issued.



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