

**MAKE-A-WISH FOUNDATION® OF
ALASKA AND WASHINGTON**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2023 AND 2022



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**MAKE-A-WISH FOUNDATION® OF ALASKA AND WASHINGTON
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YEARS ENDED AUGUST 31, 2023 AND 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Trustees
Make-A-Wish Foundation® of Alaska and Washington
Seattle, Washington

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Alaska and Washington (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 Alaska and Washington 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 Alaska and Washington 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 Alaska and Washington'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 Alaska and Washington'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 Alaska and Washington'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

Phoenix, Arizona
March 28, 2024

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

	2023	2022
ASSETS		
Cash and Cash Equivalents	\$ 325,995	\$ 2,056,983
Investments	4,116,509	3,950,169
Due from Related Entities	219,934	160,626
Prepaid Expenses	170,810	110,015
Contributions Receivable, Net	913,984	919,057
Other Assets	126,528	48,278
Investments Held for Long-Term Purposes	546,350	38,806
Right-of-Use Assets - Operating	1,416,534	-
Right-of-Use Assets - Finance	89,810	-
Property and Equipment, Net	274,355	379,296
	\$ 8,200,809	\$ 7,663,230
Total Assets		
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 337,783	\$ 404,609
Due to Related Entities	118,423	56,066
Other Liabilities	3,168	4,615
Deferred Rent	-	95,586
Capital Lease Obligations	-	88,334
Lease Liability - Operating	1,520,916	-
Lease Liability - Financing	89,986	-
Total Liabilities	2,070,276	649,210
NET ASSETS		
Without Donor Restrictions	4,635,907	6,207,746
With Donor Restrictions	1,494,626	806,274
Total Net Assets	6,130,533	7,014,020
Total Liabilities and Net Assets	\$ 8,200,809	\$ 7,663,230

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ALASKA AND WASHINGTON
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 2,948,678	\$ 656,941	\$ 3,605,619
Contributions, Donated Goods and Services	3,391,798	551,115	3,942,913
Grants	83,184	-	83,184
Total Public Support	6,423,660	1,208,056	7,631,716
Internal Special Events, Cash	2,550,978	93,137	2,644,115
Internal Special Events, Donated Goods and Services	14,654	-	14,654
Less: Costs of Direct Benefits to Donors	(489,163)	-	(489,163)
Total Internal Special Events	2,076,469	93,137	2,169,606
Investment Income, Net	203,988	7,544	211,532
Other Income	40,477	-	40,477
Net Assets Released from Restrictions	620,385	(620,385)	-
Subtotal	864,850	(612,841)	252,009
 Total Revenues, Gains, and Other Support	 9,364,979	 688,352	 10,053,331
EXPENSES			
Program Services:			
Wish Granting	7,676,074	-	7,676,074
Total Program Services	7,676,074	-	7,676,074
Support Services:			
Fundraising	1,082,673	-	1,082,673
Management and General	2,178,071	-	2,178,071
Total Support Services	3,260,744	-	3,260,744
 Total Expenses	 10,936,818	 -	 10,936,818
 CHANGE IN NET ASSETS	 (1,571,839)	 688,352	 (883,487)
Net Assets - Beginning of Year	6,207,746	806,274	7,014,020
 NET ASSETS - END OF YEAR	 \$ 4,635,907	 \$ 1,494,626	 \$ 6,130,533

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ALASKA AND WASHINGTON
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2022

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 3,452,539	\$ 71,151	\$ 3,523,690
Contributions, Donated Goods and Services	1,801,640	502,519	2,304,159
Grants	78,000	174,966	252,966
Total Public Support	<u>5,332,179</u>	<u>748,636</u>	<u>6,080,815</u>
Internal Special Events, Cash	2,574,826	15,500	2,590,326
Less: Costs of Direct Benefits to Donors	<u>(370,491)</u>	<u>-</u>	<u>(370,491)</u>
Total Special Events	2,204,335	15,500	2,219,835
Investment Income, Net	(766,962)	(7,431)	(774,393)
Other Income	19,009	-	19,009
Net Assets Released from Restrictions	211,048	(211,048)	-
Subtotal	<u>(536,905)</u>	<u>(218,479)</u>	<u>(755,384)</u>
Total Revenues, Gains, and Other Support	6,999,609	545,657	7,545,266
EXPENSES			
Program Services:			
Wish Granting	5,000,699	-	5,000,699
Total Program Services	<u>5,000,699</u>	<u>-</u>	<u>5,000,699</u>
Support Services:			
Fundraising	1,478,253	-	1,478,253
Management and General	1,301,517	-	1,301,517
Total Support Services	<u>2,779,770</u>	<u>-</u>	<u>2,779,770</u>
Total Expenses	7,780,469	-	7,780,469
OTHER LOSSES			
Losses on Disposal of Equipment	<u>3,731</u>	<u>-</u>	<u>3,731</u>
CHANGE IN NET ASSETS	(784,591)	545,657	(238,934)
Net Assets - Beginning of Year	<u>6,992,337</u>	<u>260,617</u>	<u>7,252,954</u>
NET ASSETS - END OF YEAR	<u>\$ 6,207,746</u>	<u>\$ 806,274</u>	<u>\$ 7,014,020</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ALASKA AND WASHINGTON
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	\$ 5,689,398	\$ -	\$ -	\$ -	\$ -	\$ 5,689,398
Salaries, Taxes, and Benefits	1,252,974	494,595	1,549,731	2,044,326	-	3,297,300
Printing, Subscriptions, and Publications	23,961	37,208	29,773	66,981	-	90,942
Professional Fees	4,715	6,972	122,414	129,386	-	134,101
Rent and Utilities	119,721	47,118	147,347	194,465	-	314,186
Postage and Delivery	16,235	6,605	11,717	18,322	-	34,557
Travel	7,499	8,505	26,929	35,434	-	42,933
Meetings and Conferences	6,261	18,788	62,893	81,681	-	87,942
Office Supplies	61,578	12,274	9,948	22,222	-	83,800
Communications	18,544	7,052	22,096	29,148	-	47,692
Advertising and Media (Cash)	4,047	31,631	4,700	36,331	-	40,378
Advertising and Media (In-Kind)	-	229,740	-	229,740	-	229,740
Repairs and Maintenance	1,342	854	941	1,795	-	3,137
Membership Dues	3,347	2,794	5,414	8,208	-	11,555
Bad Debt Expense	-	11,247	-	11,247	-	11,247
National Partnership Dues	412,456	94,276	82,491	176,767	-	589,223
Miscellaneous	22,729	60,671	63,004	123,675	-	146,404
Depreciation and Amortization	31,267	12,343	38,673	51,016	-	82,283
Special Event Expenses - Direct Donor Benefits	-	-	-	-	489,163	489,163
Total	7,676,074	1,082,673	2,178,071	3,260,744	489,163	11,425,981
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses - Direct Donor Benefits	-	-	-	-	(489,163)	(489,163)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 7,676,074	\$ 1,082,673	\$ 2,178,071	\$ 3,260,744	\$ -	\$ 10,936,818

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ALASKA AND WASHINGTON
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	\$ 3,246,098	\$ -	\$ -	\$ -	\$ -	\$ 3,246,098
Salaries, Taxes, and Benefits	1,048,794	789,539	885,045	1,674,584	-	2,723,378
Printing, Subscriptions, and Publications	21,505	44,912	10,471	55,383	-	76,888
Professional Fees	10,388	17,935	100,747	118,682	-	129,070
Rent and Utilities	118,605	89,257	103,178	192,435	-	311,040
Postage and Delivery	12,314	15,812	2,863	18,675	-	30,989
Travel	1,563	5,104	3,484	8,588	-	10,151
Meetings and Conferences	7,404	21,026	22,046	43,072	-	50,476
Office Supplies	61,148	6,382	6,796	13,178	-	74,326
Communications	16,449	11,978	13,856	25,834	-	42,283
Advertising and Media (Cash)	73	52,395	-	52,395	-	52,468
Advertising and Media (In-Kind)	2,816	269,881	-	269,881	-	272,697
Repairs and Maintenance	3,639	2,741	4,217	6,958	-	10,597
Membership Dues	2,194	4,676	2,337	7,013	-	9,207
Bad Debt Expense	-	(10,563)	-	(10,563)	-	(10,563)
National Partnership Dues	392,057	70,788	81,678	152,466	-	544,523
Miscellaneous	24,588	62,990	37,730	100,720	-	125,308
Depreciation and Amortization	31,064	23,400	27,069	50,469	-	81,533
Special Event Expenses - Direct Donor Benefits	-	-	-	-	370,491	370,491
Total Expenses by Function	5,000,699	1,478,253	1,301,517	2,779,770	370,491	8,150,960
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses - Direct Donor Benefits	-	-	-	-	(370,491)	(370,491)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 5,000,699	\$ 1,478,253	\$ 1,301,517	\$ 2,779,770	\$ -	\$ 7,780,469

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ALASKA AND WASHINGTON
STATEMENT OF CASH FLOWS
YEARS ENDED AUGUST 31, 2023 AND 2022

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (883,487)	\$ (238,934)
Adjustments to Reconcile Change in Net Assets to Provided (Used) by Operating Activities:		
Depreciation and Amortization	58,817	81,533
Amortization of Right-of-Use Asset, Finance Lease	23,466	-
Bad Debt Expense	11,247	(10,563)
Contributions Restricted for Long-Term Investment	(500,000)	-
Net Realized and Unrealized Losses on Investments	21,772	1,046,287
Loss on Disposal of Equipment	-	3,731
Contributed Property and Equipment and Inventory	(66,420)	339,266
Change in Discount to Present Value of Contributions Receivable	(475)	5,884
Change in Operating Right-of-Use Assets and Lease Liabilities	8,796	-
(Increase) Decrease in Assets:		
Contributions Receivable	(5,699)	(731,324)
Due from Related Entities	(59,308)	(34,415)
Prepaid Expenses	(60,795)	(14,002)
Other Assets	(11,830)	(75)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(66,826)	67,875
Other Liabilities	(1,447)	(37,885)
Due to Related Entities	62,357	47,767
Deferred Rent	-	16,064
Net Cash Provided (Used) by Operating Activities	(1,469,832)	541,209
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(2,376,073)	(873,631)
Proceeds from Sales of Investments	1,680,417	39,701
Purchases of Property and Equipment	(40,673)	(20,178)
Net Cash Used by Investing Activities	(736,329)	(854,108)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted for Long-Term Investment	500,000	-
Principal Payments on Capital Lease Obligations	-	(22,330)
Principal Payments on Finance Lease Obligations	(24,827)	-
Net Cash Provided (Used) by Financing Activities	475,173	(22,330)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,730,988)	(335,229)
Cash and Cash Equivalents - Beginning of Year	2,056,983	2,392,212
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 325,995	\$ 2,056,983
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Acquisition of Equipment Through a Capital Lease	\$ -	\$ 71,704
Contributed Other Assets, Net Change	\$ 66,420	\$ (339,266)
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 1,640,044	\$ -
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ 24,076	\$ -
Cash Paid for Interest	\$ 2,272	\$ 3,168

See accompanying Notes to Financial Statements.

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

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Alaska and Washington (the Foundation) is a Washington nonprofit corporation, organized for the purpose of creating life changing wishes to children with critical illnesses. The Foundation is an independently operating chapter of Make-A-Wish Foundation® of America (the National Organization), which operates to develop and implement national programs in public relations and fund raising 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.

Investments

Investments are recorded at fair value. Investment income, including gains and losses on investments, is recorded as increases or decreases in without donor-restricted net assets 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 ALASKA AND WASHINGTON
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 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 of 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 7 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 ALASKA AND WASHINGTON
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 restrictions 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 ALASKA AND WASHINGTON
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, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as Net Assets Released from Restrictions.

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 \$489,000 and \$370,500 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 \$579,105 and \$526,149, 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 ALASKA AND WASHINGTON
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2023 AND 2022

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:

	<u>2023</u>	<u>2022</u>
Wish Related Travel, Goods, and Services	\$ 3,611,419	\$ 1,977,093
Professional Services	-	26
Advertising and Media	229,740	272,697
Special Events	14,654	-
Other	101,754	54,343
Total Contributed Nonfinancial Assets and Services	<u>\$ 3,957,567</u>	<u>\$ 2,304,159</u>

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 donated background check services used for support services and are valued and reported at the estimated fair value based on current rates for similar 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 fund raising materials, informational material, or advertising, and may be 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.

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.

MAKE-A-WISH FOUNDATION® OF ALASKA AND WASHINGTON
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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is a nonprofit organization exempt from federal income under the provisions of Internal Revenue Code (IRC) Section 501(c)(3). 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. 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 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 \$95,586 at August 31, 2022.

MAKE-A-WISH FOUNDATION® OF ALASKA AND WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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. 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	\$ 6,122,772	\$ 7,125,641
Donor-Imposed Restrictions:		
Restricted Funds	(948,276)	(767,468)
Endowments	<u>(546,350)</u>	<u>(38,806)</u>
Net Financial Assets after Donor-Imposed Restrictions	<u>\$ 4,628,146</u>	<u>\$ 6,319,367</u>

MAKE-A-WISH FOUNDATION® OF ALASKA AND WASHINGTON
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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.

The endowment fund consists of donor-restricted endowments. Income from the donor-restricted endowment 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 audit and finance committee, which oversees the Foundation's investment program in accordance with established guidelines.

MAKE-A-WISH FOUNDATION® OF ALASKA AND WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy

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

	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
<u>August 31, 2023</u>					
Investments:					
Mutual Funds	\$ 3,865,001	\$ -	\$ -	\$ -	\$ 3,865,001
Exchange-Traded Funds	760,716	-	-	-	760,716
Cash and Cash Equivalents	-	-	-	37,142	37,142
Total Investments	<u>\$ 4,625,717</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,142</u>	<u>\$ 4,662,859</u>
<u>August 31, 2022</u>					
Investments:					
Mutual Funds	\$ 3,886,746	\$ -	\$ -	\$ -	\$ 3,886,746
Exchange-Traded Funds	75,884	-	-	-	75,884
Cash and Cash Equivalents	-	-	-	26,345	26,345
Total Investments	<u>\$ 3,962,630</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,345</u>	<u>\$ 3,988,975</u>

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at a rate of 4.20% and 3.27% at August 31, 2023 and 2022, respectively. For the years ended August 31, 2023 and 2022 three donors were 82% and 83% of the contributions receivable balance, respectively. The following is a summary of the Foundation's contributions receivable at August 31:

	2023	2022
Total Amounts Due in:		
One Year	\$ 804,393	\$ 888,592
Two to Five Years	115,000	50,000
Gross Contributions Receivable	919,393	938,592
Less: Allowance for Doubtful Accounts	-	(13,651)
Less: Discount to Present Value	(5,409)	(5,884)
Contributions Receivable, Net	<u>\$ 913,984</u>	<u>\$ 919,057</u>

MAKE-A-WISH FOUNDATION® OF ALASKA AND WASHINGTON
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NOTE 6 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, the Foundation received \$907,619 and \$961,044, respectively, from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for annual 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 \$715,889 and \$636,358 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 Foundation received \$33,500 and \$6,200 for the years ended August 31, 2023 and 2022, respectively, which is recorded in the accompanying statement of activities as other income.

Amounts due from and to related entities consisted of the following as of August 31:

	<u>2023</u>	<u>2022</u>
Balance at August 31:		
Due from National Organization	\$ 118,355	\$ 136,565
Due from Other Chapters	101,579	24,061
Total Due from Related Entities	<u>\$ 219,934</u>	<u>\$ 160,626</u>
Due to National Organization	\$ 4,960	\$ 13,946
Due to Other Chapters	113,463	42,120
Total Due to Related Entities	<u>\$ 118,423</u>	<u>\$ 56,066</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 \$497,960 and \$285,502, respectively. At August 31, 2022, amounts due from board members totaled \$9,000 and are included in contributions receivable in the accompanying statements of financial position. There were no amounts due from board members at August 31, 2023.

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

NOTE 7 PROPERTY AND EQUIPMENT, NET

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

	2023	2022
Computer Equipment and Software	\$ 142,529	\$ 121,070
Other Equipment	109,996	229,161
Leasehold Improvements	426,027	426,027
Total	678,552	776,258
Less: Accumulated Depreciation and Amortization	(404,197)	(396,962)
Property and Equipment, Net	\$ 274,355	\$ 379,296

Depreciation and amortization expense totaled \$58,817 and \$81,533 for the years ended August 31, 2023 and 2022, respectively.

NOTE 8 LEASES

Lease Agreements - ASC 842

The Foundation leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through December 2029.

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

	2023
Lease Cost:	
Finance Lease Cost:	
Amortization of Right-of-Use Assets	\$ 23,466
Interest on Lease Liabilities	2,272
Operating Lease Cost	276,540
Total Lease Cost	\$ 302,278
Other Information:	
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:	
Operating Cash Flows from Financing Leases	\$ 2,272
Operating Cash Flows from Operating Leases	\$ 267,744
Financing Cash Flows from Financing Leases	\$ 24,827
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	\$ 24,076
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 1,640,044
Weighted-Average Remaining Leases Term - Financing Leases	3.85 years
Weighted Average Remaining Lease Term - Operating Leases	5.7 years
Weighted-Average Discount Rate - Financing Leases	4.50%
Weighted-Average Discount Rate - Operating Leases	3.28%

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NOTES TO FINANCIAL STATEMENTS
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NOTE 8 LEASES (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	\$ 275,757	\$ 29,063
2025	284,234	22,527
2026	292,787	22,527
2027	294,334	18,493
2028	280,237	3,768
Thereafter	242,589	-
Total Lease Payments	<u>1,669,938</u>	<u>96,378</u>
Less: Imputed Interest	<u>(149,022)</u>	<u>(6,392)</u>
Present Value of Lease Liabilities	<u>\$ 1,520,916</u>	<u>\$ 89,986</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 December 31, 2029. As of August 31, 2022, the cost of leased property and equipment under capital leases was \$119,164, and accumulated depreciation was \$32,148. Total rent expense for all operating leases for the year ended August 31, 2022 was \$296,320.

NOTE 9 NET ASSETS

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	\$ 711,115	\$ 502,519
Volunteer Growth Project Coordinator	99,433	-
Total	<u>810,548</u>	<u>502,519</u>
Subject to the Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	137,728	264,949
Endowment:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	8,202	658
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
Wishing Well	38,148	38,148
The Jacquie Bayley Fund for Wishes	500,000	-
Total Endowments	<u>546,350</u>	<u>38,806</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,494,626</u>	<u>\$ 806,274</u>

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

NOTE 10 ENDOWMENTS

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.

The Foundation's endowment consists of two and one funds as of August 31, 2023 and 2022, respectively. Net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets are reflected as investments held for long-term purposes on the statements of financial position.

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the Washington 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 making a determination 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	\$ -	\$ 546,350	\$ 546,350
<u>August 31, 2022</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 38,806	\$ 38,806

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

NOTE 10 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

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

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
<u>August 31, 2023</u>			
Endowment Funds - Beginning of Year	\$ -	\$ 38,806	\$ 38,806
Investment Return:			
Investment Income	-	6,416	6,416
Net Appreciation (Realized and Unrealized)	-	1,128	1,128
Total Investment Return	-	7,544	7,544
Contributions	-	500,000	500,000
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 546,350</u>	<u>\$ 546,350</u>
<u>August 31, 2022</u>			
Endowment Funds - Beginning of Year	\$ -	\$ 46,237	\$ 46,237
Investment Return:			
Investment Income	-	2,589	2,589
Net Appreciation (Realized and Unrealized)	-	(10,020)	(10,020)
Total Investment Return	-	(7,431)	(7,431)
Endowment Net Assets - End of Year	<u>\$ -</u>	<u>\$ 38,806</u>	<u>\$ 38,806</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. There are no fund deficiencies as of August 31, 2023 and 2022.

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 while seeking to maintain the purchasing power of the endowment assets. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 7% annually. Actual returns in any given year may vary from this amount.

MAKE-A-WISH FOUNDATION® OF ALASKA AND WASHINGTON
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 ENDOWMENTS (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 has a policy of appropriating for distribution each year 0-5% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long-term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 7% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 11 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 IRC limitations. The Foundation matches employee contributions up to 4% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2023 and 2022 were \$77,169 and \$73,555, respectively.

NOTE 12 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 \$2,248,382 were received from two donors for the year ended August 31, 2023 which represents 22% 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. There were no donors who represented greater than 10% of raised revenue for the year end August 31, 2022.

MAKE-A-WISH FOUNDATION® OF ALASKA AND WASHINGTON
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NOTE 13 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 14 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the fiscal years ended August 31, 2023 and 2022, the Foundation granted 406 and 268 wishes, respectively. As of August 31, 2023 and 2022, respectively, there were approximately 635 and 650 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2023 was \$5,028 in cash and \$8,530 in in-kind for a total cost of \$13,558. The average cost of a wish for the year ended August 31, 2022 was \$5,502 in cash and \$5,826 in in-kind for a total cost of \$11,328.

NOTE 15 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 80% of wishes granted and the number of granted wishes averaged approximately 363. The number of wishes granted during the years ended August 31, 2023 and 2022 was 406 and 268, respectively.

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

NOTE 16 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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