

**MAKE-A-WISH FOUNDATION® OF  
MISSISSIPPI CHARTERED**

**FINANCIAL STATEMENTS**

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



CPAs | CONSULTANTS | WEALTH ADVISORS

[CLAcconnect.com](https://CLAcconnect.com)

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

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



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Mississippi Chartered  
Ridgeland, Mississippi

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

#### ***Opinion***

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Mississippi Chartered (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 Mississippi Chartered 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 Mississippi Chartered 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 Mississippi Chartered'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 Mississippi Chartered'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 Mississippi Chartered's ability to continue as a going concern for a reasonable period of time.

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



**CliftonLarsonAllen LLP**

Lakeland, Florida  
January 23, 2024

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

	2023	2022
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,088,863	\$ 2,574,768
Investments	1,175,471	-
Due from Related Entities	31,109	33,120
Prepaid Expenses	17,976	64,509
Contributions Receivable, Net	347,136	228,486
Property and Equipment, Net	898	2,799
Right-of-Use Assets - Operating	338,418	-
Right-of-Use Assets - Finance	10,001	-
	<b>\$ 4,009,872</b>	<b>\$ 2,903,682</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 144,198	\$ 155,609
Due to Related Entities	19,323	44,051
Lease Liability - Operating	350,464	-
Lease Liability - Financing	13,512	-
	527,497	199,660
<b>NET ASSETS</b>		
Without Donor Restrictions	3,161,128	2,418,705
With Donor Restrictions	321,247	285,317
Total Net Assets	<b>3,482,375</b>	<b>2,704,022</b>
	<b>\$ 4,009,872</b>	<b>\$ 2,903,682</b>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF MISSISSIPPI CHARTERED  
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	\$ 1,314,242	\$ -	\$ 1,314,242
Contributions, Donated Goods and Services	427,751	183,573	611,324
Grants	247,100	-	247,100
Total Public Support	1,989,093	183,573	2,172,666
Internal Special Events, Cash	1,386,221	80,800	1,467,021
Less Costs of Direct Benefits to Donors	(119,623)	-	(119,623)
Total Internal Special Events	1,266,598	80,800	1,347,398
Other Income	41,436	-	41,436
Net Assets Released from Restrictions	228,443	(228,443)	-
Total Revenues, Gains, and Other Support	3,525,570	35,930	3,561,500
<b>EXPENSES</b>			
Program Services:			
Wish Granting	2,174,358	-	2,174,358
Total Program Services	2,174,358	-	2,174,358
Support Services:			
Fundraising	410,553	-	410,553
Management and General	198,236	-	198,236
Total Support Services	608,789	-	608,789
Total Expenses	2,783,147	-	2,783,147
<b>CHANGE IN NET ASSETS</b>	742,423	35,930	778,353
Net Assets - Beginning of Year	2,418,705	285,317	2,704,022
<b>NET ASSETS - END OF YEAR</b>	\$ 3,161,128	\$ 321,247	\$ 3,482,375

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF MISSISSIPPI CHARTERED  
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	\$ 1,467,533	\$ -	\$ 1,467,533
Contributions, Donated Goods and Services	524,767	228,443	753,210
Grants	125,600	-	125,600
Total Public Support	2,117,900	228,443	2,346,343
Internal Special Events, Cash	971,994	56,873	1,028,867
Less Costs of Direct Benefits to Donors	(149,438)	-	(149,438)
Total Internal Special Events	822,556	56,873	879,429
Other Income	517	-	517
Net Assets Released from Restrictions	11,434	(11,434)	-
Total Revenues, Gains, and Other Support	2,952,407	273,882	3,226,289
<b>EXPENSES</b>			
Program Services:			
Wish Granting	1,689,249	-	1,689,249
Total Program Services	1,689,249	-	1,689,249
Support Services:			
Fundraising	390,186	-	390,186
Management and General	272,087	-	272,087
Total Support Services	662,273	-	662,273
Total Expenses	2,351,522	-	2,351,522
<b>CHANGE IN NET ASSETS</b>	600,885	273,882	874,767
Net Assets - Beginning of Year	1,817,820	11,435	1,829,255
<b>NET ASSETS - END OF YEAR</b>	\$ 2,418,705	\$ 285,317	\$ 2,704,022

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF MISSISSIPPI CHARTERED  
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	\$ 1,462,934	\$ -	\$ -	\$ -	\$ -	\$ 1,462,934
Salaries, Taxes, and Benefits	464,726	215,401	115,275	330,676	-	795,402
Printing, Subscriptions, and Publications	16,679	13,497	2,358	15,855	-	32,534
Professional Fees	3,956	9,925	1,259	11,184	-	15,140
Rent and Utilities	49,284	22,868	12,358	35,226	-	84,510
Postage and Delivery	4,924	2,677	416	3,093	-	8,017
Travel	6,310	15,324	4,353	19,677	-	25,987
Meetings and Conferences	5,324	20,660	10,496	31,156	-	36,480
Office Supplies	11,155	4,781	2,682	7,463	-	18,618
Communications	6,027	2,797	1,496	4,293	-	10,320
Advertising and Media (Cash)	-	500	-	500	-	500
Repairs and Maintenance	2,985	1,385	742	2,127	-	5,112
Insurance	949	440	235	675	-	1,624
Membership Dues	356	673	89	762	-	1,118
National Partnership Dues	134,318	62,329	33,349	95,678	-	229,996
Miscellaneous	3,321	36,781	12,852	49,633	-	52,954
Depreciation and Amortization	1,110	515	276	791	-	1,901
Special Event - Direct Donor Benefits					119,623	119,623
<b>Total Expenses by Function</b>	<b>2,174,358</b>	<b>410,553</b>	<b>198,236</b>	<b>608,789</b>	<b>119,623</b>	<b>2,902,770</b>
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(119,623)	(119,623)
<b>Total Expenses Included in the Expense Section of the Statement of Activities</b>	<b>\$ 2,174,358</b>	<b>\$ 410,553</b>	<b>\$ 198,236</b>	<b>\$ 608,789</b>	<b>\$ -</b>	<b>\$ 2,783,147</b>

See accompanying Notes to Financial Statements.



**MAKE-A-WISH FOUNDATION® OF MISSISSIPPI CHARTERED**  
**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	\$ 1,239,251	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,239,251
Salaries, Taxes, and Benefits	291,123	228,739	173,287	402,026	-	-	693,149
Printing, Subscriptions, and Publications	12,934	16,771	5,340	22,111	-	-	35,045
Professional Fees	1,613	1,616	3,205	4,821	-	-	6,434
Rent and Utilities	28,356	22,280	16,879	39,159	-	-	67,515
Postage and Delivery	5,577	2,057	971	3,028	-	-	8,605
Travel	2,298	6,835	710	7,545	-	-	9,843
Meetings and Conferences	714	9,921	4,097	14,018	-	-	14,732
Office Supplies	12,028	6,752	3,565	10,317	-	-	22,345
Communications	3,966	3,116	2,361	5,477	-	-	9,443
Repairs and Maintenance	2,242	1,761	1,334	3,095	-	-	5,337
Insurance	554	436	497	933	-	-	1,487
Membership Dues	-	175	325	500	-	-	500
National Partnership Dues	82,587	64,890	49,159	114,049	-	-	196,636
Miscellaneous	4,927	23,989	9,714	33,703	-	-	38,630
Depreciation and Amortization	1,079	848	643	1,491	-	-	2,570
Special Event - Direct Donor Benefits	-	-	-	-	149,438	-	149,438
Total Expenses by Function	1,689,249	390,186	272,087	662,273	149,438	-	2,500,960
Less: Expenses Netted Against Revenues on the Statement of Activities:							
Special Event Expenses	-	-	-	-	(149,438)	-	(149,438)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 1,689,249	\$ 390,186	\$ 272,087	\$ 662,273	\$ -	\$ -	\$ 2,351,522

See accompanying Notes to Financial Statements.

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

	2023	2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 778,353	\$ 874,767
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	1,901	2,570
Net Realized and Unrealized (Gains) Losses on Investments	952	-
Amortization of Right-of-Use Asset, Finance Lease	5,000	-
Change in Operating Right-of-Use Assets and Lease Liabilities	11,702	-
 (Increase) Decrease in Assets:		
Contributions Receivable	(118,650)	(216,301)
Due from Related Entities	2,011	22,814
Prepaid Expenses	46,533	(6,739)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(11,411)	26,044
Due to Related Entities	(24,728)	39,994
Net Cash Provided by Operating Activities	691,663	743,149
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(1,176,423)	-
Purchases of Property and Equipment	-	(2,569)
Net Cash Used by Investing Activities	(1,176,423)	(2,569)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Finance Lease Obligations	(1,145)	-
Net Cash Used by Financing Activities	(1,145)	-
 <b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	(485,905)	740,580
 Cash and Cash Equivalents - Beginning of Year	2,574,768	1,834,188
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 2,088,863	\$ 2,574,768
 <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 399,223	\$ -
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ 15,001	\$ -

See accompanying Notes to Financial Statements.

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

**NOTE 1 ORGANIZATION**

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

**Cash and Cash Equivalents**

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

**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.

**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.

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

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

**Leases (Continued)**

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 \$1,000 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 are stated at the present value of future minimum lease payments at the time of acquisition. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally three to seven 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.

**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.

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

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

**Fair Value Measurements (Continued)**

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.

The Foundation utilizes the net asset value (NAV) per share or its equivalent for valuing certain investments in funds that do not have readily determinable fair values. NAV, in many instances, may not equal fair value.

**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 MISSISSIPPI CHARTERED**  
**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 events, in-kind 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 \$220,000 and \$163,000 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 \$86,342 and \$79,666, 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.

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

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

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

**Revenue Recognition (Continued)**

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	\$ 611,324	\$ 753,210
Total Contributed Nonfinancial Assets and Services	<u>611,324</u>	<u>753,210</u>

Wish related in-kinds consist of donated travel, goods and other services used in the delivery of wishes. The Foundation estimates the fair value of wish related in-kinds on the basis of estimates of the current market rates for similar travel, goods and other services in the Foundation's market.

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

**Income Taxes**

The Foundation is a nonprofit organization exempt from federal income and Mississippi taxes under the provisions of Internal Revenue Code 501(c)(3) and Mississippi tax provisions. 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.

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

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

**Functional Expenses (Continued)**

**Management and General**

All costs not identifiable with a 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 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.

**Management Estimates**

The preparation of financial statements in conformity with U.S. 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.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported net assets.

**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.



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

**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.

	2023	2022
Total Financial Assets	\$ 3,642,579	\$ 2,836,374
Donor-Imposed Restrictions:		
Restricted Funds	(321,247)	(285,317)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 3,321,332	\$ 2,551,057

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

**NOTE 4 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 table 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.

The Foundation uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

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

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

**Fair Value of Financial Instruments (Continued)**

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 of directors and finance committee, which oversees the Foundation's investment program in accordance with established guidelines.

**Fair Value Hierarchy**

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

	Level 1	Level 2	Level 3	Assets Not Held at Value	Total
<u>August 31, 2023</u>					
Investments:					
Mutual Funds	\$ 564,324	\$ -	\$ -	\$ -	\$ 564,324
Exchange-Traded Funds	611,147	-	-	-	611,147
Cash	-	-	-	2,088,863	2,088,863
Total Investments	<u>\$ 1,175,471</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,088,863</u>	<u>\$ 3,264,334</u>

**NOTE 5 CONTRIBUTIONS RECEIVABLE**

The Foundation's contributions receivable as of August 31, 2023 and 2022 were \$347,136 and 228,486, respectfully. All contributions receivable are due within the next twelve months. Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at August 31, 2023 and 2022.

**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, respectively, the Foundation received \$387,481 and \$399,836 from these national revenue streams.

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

**NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)**

As part of the National Organization’s Wish Fulfillment Fund, chapters may apply for funds that have been donated by other chapters to underwrite the cost of wishes. Under this program, the Foundation received \$-0- and \$-0- during the years ended August 31, 2023 and 2022, respectively.

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 \$250,467 and \$205,108 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 \$300 and \$500, 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	31,109	33,120
Total Due from Related Entities	<u>\$ 31,109</u>	<u>\$ 33,120</u>
Due to National Organization	\$ 4,562	\$ 9,258
Due to Other Chapters	14,761	34,793
Total Due to Related Entities	<u>\$ 19,323</u>	<u>\$ 44,051</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 \$139,635 and \$150,728 respectively. There was no amounts due from board members as of August 31, 2023 and 2022, respectively.

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

**NOTE 7 PROPERTY AND EQUIPMENT, NET**

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

	2023	2022
Computer Equipment and Software	\$ 27,874	\$ 27,874
Office Furniture	1,998	1,998
Total	29,872	29,872
Less Accumulated Depreciation and Amortization	(28,974)	(27,073)
Property and Equipment, Net	\$ 898	\$ 2,799

Depreciation and amortization expense totaled \$1,901 and \$2,570, respectively, for the years ended August 31, 2023 and 2022.

**NOTE 8 LEASES**

**Lease Agreements - ASC 842**

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

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

Lease Cost:

Finance Lease Cost:	
Amortization of Right-of-Use Assets	\$ 5,000
Interest on Lease Liabilities	165
Operating Lease Cost	74,173
Total Lease Cost	\$ 79,338

Other Information:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities

Operating Cash Flows from Financing Leases	\$ 165
Operating Cash Flows from Operating Leases	\$ 62,127
Financing Cash Flows from Financing Leases	\$ 1,145
Right-of-Use assets Obtained in Exchange for New Financing Lease Liabilities	\$ 15,001
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 399,223
Weighted-Average Remaining Leases Term - Financing Leases	3.6 Years
Weighted Average Remaining Lease Term - Operating Leases	4.9 Years
Weighted-Average Discount Rate - Financing Leases	3.47%
Weighted-Average Discount Rate - Operating Leases	3.54%

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

**NOTE 8 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	\$ 76,582	\$ 3,930
2025	76,582	3,930
2026	76,582	3,930
2027	76,582	2,619
2028	76,582	-
Total Lease Payments	382,910	14,409
Less: Imputed Interest	(32,446)	(897)
Present Value of Lease Liabilities	<u>\$ 350,464</u>	<u>\$ 13,512</u>

**Lease Agreements – ASC 840**

The Foundation is obligated under various operating leases for offices and equipment, which expire at various dates through January 31, 2023. Total rent expense for all operating leases for the years ended August 31, 2022 totaled \$66,150.

**NOTE 9 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	\$ 183,573	\$ 228,444
Future Events	56,874	56,873
Grants and Other Restricted Cash	80,800	-
Total Donor-Restricted Net Assets	<u>\$ 321,247</u>	<u>\$ 285,317</u>

**NOTE 10 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 Internal Revenue Code limitations. The Foundation contributes a flat 2% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2023 and 2022 were \$11,432 and \$10,670, respectively.

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

**NOTE 11 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.

**NOTE 12 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 134 and 116 wishes, respectively. As of August 31, 2023 and 2022, respectively, there were approximately 105 and 120 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2023 was \$5,716 in cash and \$5,458 in in-kind for a total cost of \$11,174. The average cost of a wish for the year ended August 31, 2022, was \$6,308 in cash and \$3,018 in in-kind for a total cost of \$9,327.

**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 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 81% of wishes granted and the number of granted wishes averaged approximately 95. The number of wishes during the years ended August 31, 2023 and 2022 was 134 and 116, respectively.

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

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

**NOTE 15 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through January 23, 2024, the date at which the financial statements were available to be issued.



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