

MAKE-A-WISH FOUNDATION® OF ILLINOIS
FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2024 AND 2023



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**MAKE-A-WISH FOUNDATION® OF ILLINOIS
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Illinois
Chicago, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Illinois (a nonprofit organization), which comprise the statements of financial position as of August 31, 2024 and 2023, 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 Illinois as of August 31, 2024 and 2023, 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.

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 Illinois 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 Illinois' 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 Illinois' 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 Illinois' 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

Oak Brook, Illinois
December 17, 2024

MAKE-A-WISH FOUNDATION® OF ILLINOIS
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 4,553,214	\$ 7,727,736
Investments	6,841,570	5,815,030
Due from Related Entities	410,453	374,327
Prepaid Expenses	325,444	231,388
Contributions Receivable, Net	1,558,323	910,548
Other Assets	115,296	44,820
Investments Held for Long-Term Purposes	5,187,408	4,537,097
Right-of-Use Assets - Operating	1,024,182	82,199
Right-of-Use Assets - Financing	29,690	-
Property and Equipment, Net	102,511	60,652
	\$ 20,148,091	\$ 19,783,797
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,008,396	\$ 1,086,432
Due to Related Entities	217,422	278,849
Lease Liability - Operating	1,067,441	98,262
Lease Liability - Financing	31,495	-
Total Liabilities	2,324,754	1,463,543
NET ASSETS		
Without Donor Restrictions	11,077,631	12,872,635
With Donor Restrictions	6,745,706	5,447,619
Total Net Assets	17,823,337	18,320,254
Total Liabilities and Net Assets	\$ 20,148,091	\$ 19,783,797

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 5,969,889	\$ 334,991	\$ 6,304,880
Contributions, Donated Goods and Services	3,782,211	1,236,681	5,018,892
Grants	327,000	-	327,000
Total Public Support	10,079,100	1,571,672	11,650,772
Internal Special Events, Cash	3,587,143	125,932	3,713,075
Internal Special Events, Donated Goods and Services	10,391	-	10,391
Less: Costs of Direct Benefits to Donors	(899,478)	-	(899,478)
Total Internal Special Events	2,698,056	125,932	2,823,988
Investment Income, Net	1,315,139	677,104	1,992,243
Other Income	39,276	-	39,276
Net Assets Released from Restrictions	1,076,621	(1,076,621)	-
Total Revenues, Gains, and Other Support	15,208,192	1,298,087	16,506,279
EXPENSES			
Program Services:			
Wish Granting	12,423,926	-	12,423,926
Total Program Services	12,423,926	-	12,423,926
Support Services:			
Fundraising	1,956,730	-	1,956,730
Management and General	2,622,237	-	2,622,237
Total Support Services	4,578,967	-	4,578,967
Total Expenses	17,002,893	-	17,002,893
OTHER LOSSES			
Losses on Disposal of Equipment	(303)	-	(303)
Total Other Losses	(303)	-	(303)
CHANGE IN NET ASSETS	(1,795,004)	1,298,087	(496,917)
Net Assets - Beginning of Year	12,872,635	5,447,619	18,320,254
NET ASSETS - END OF YEAR	\$ 11,077,631	\$ 6,745,706	\$ 17,823,337

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 7,365,056	\$ 200,000	\$ 7,565,056
Contributions, Donated Goods and Services	3,070,103	644,358	3,714,461
Grants	277,800	-	277,800
Total Public Support	10,712,959	844,358	11,557,317
Internal Special Events, Cash	3,268,420	74,100	3,342,520
Internal Special Events, Donated Goods and Services	950	-	950
Less: Costs of Direct Benefits to Donors	(847,007)	-	(847,007)
Total Internal Special Events	2,422,363	74,100	2,496,463
Investment Gain, Net	719,237	270,962	990,199
Other Income	37,125	-	37,125
Net Assets Released from Restrictions	2,383,486	(2,383,486)	-
Total Revenues, Gains, and Other Support	16,275,170	(1,194,066)	15,081,104
EXPENSES			
Program Services:			
Wish Granting	12,161,683	-	12,161,683
Total Program Services	12,161,683	-	12,161,683
Support Services:			
Fundraising	2,209,772	-	2,209,772
Management and General	1,883,843	-	1,883,843
Total Support Services	4,093,615	-	4,093,615
Total Expenses	16,255,298	-	16,255,298
OTHER LOSSES			
Losses on Sale of Equipment	(5,207)	-	(5,207)
Total Other Losses	(5,207)	-	(5,207)
CHANGE IN NET ASSETS	14,665	(1,194,066)	(1,179,401)
Net Assets - Beginning of Year	12,857,970	6,641,685	19,499,655
NET ASSETS - END OF YEAR	\$ 12,872,635	\$ 5,447,619	\$ 18,320,254

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2024

	Program Services	Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services		
Direct Costs of Wishes	\$ 9,453,603	\$ -	\$ -	\$ -	\$ -	\$ 9,453,603
Salaries, Taxes, and Benefits	1,425,891	1,182,725	1,947,484	3,130,209	-	4,556,100
Employee Benefits	157,866	108,961	174,188	283,149	-	441,015
Payroll Taxes	109,367	84,199	144,928	229,127	-	338,494
Professional Fees, Accounting	-	-	5,095	5,095	-	5,095
Professional Fees, Other	38,288	55,792	24,491	80,283	-	118,571
Printing, Subscriptions, and Publications	20,648	43,627	2,197	45,824	-	66,472
Occupancy	93,902	57,909	79,712	137,621	-	231,523
Postage and Delivery	42,526	14,376	170	14,546	-	57,072
Travel	15,410	27,491	1,712	29,203	-	44,613
Meetings and Conferences	26,807	25,328	8,029	33,357	-	60,164
Office Supplies	8,191	10,684	5,847	16,531	-	24,722
Communications	11,610	7,160	11,750	18,910	-	30,520
Advertising and Media (Cash)	175	1,107	-	1,107	-	1,282
Advertising and Media (In-Kind)	47,213	-	-	-	-	47,213
Repairs and Maintenance	7,385	8,064	4,488	12,552	-	19,937
Insurance	250	2,000	-	2,000	-	2,250
Membership Dues	856	1,539	-	1,539	-	2,395
Information Technology	33,026	54,745	30,724	85,469	-	118,495
Chapter Dues	789,600	180,480	157,920	338,400	-	1,128,000
Miscellaneous	126,911	26,675	8,928	35,603	-	162,514
Merchant Fees	-	54,987	-	54,987	-	54,987
Depreciation and Amortization	14,401	8,881	14,574	23,455	-	37,856
Special Event - Direct Donor Benefits	-	-	-	-	899,478	899,478
Total Expenses by Function	12,423,926	1,956,730	2,622,237	4,578,967	899,478	17,902,371
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(899,478)	(899,478)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 12,423,926	\$ 1,956,730	\$ 2,622,237	\$ 4,578,967	\$ -	\$ 17,002,893

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
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	\$ 8,970,832	\$ -	\$ -	\$ -	\$ -	\$ 8,970,832
Salaries, Taxes, and Benefits	1,744,579	1,337,753	1,404,203	2,741,956	-	4,486,535
Employee Benefits	162,409	120,352	100,095	220,447	-	382,856
Payroll Taxes	132,580	97,481	96,047	193,528	-	326,108
Professional Fees, Accounting	-	-	4,790	4,790	-	4,790
Professional Fees, Other	22,057	42,400	8,070	50,470	-	72,527
Printing, Subscriptions, and Publications	26,621	52,590	756	53,346	-	79,967
Occupancy	153,194	90,671	76,542	167,213	-	320,407
Postage and Delivery	33,809	21,716	1,025	22,741	-	56,550
Travel	17,842	32,062	2,291	34,353	-	52,195
Meetings and Conferences	30,855	40,248	8,351	48,599	-	79,454
Office Supplies	5,197	10,080	1,410	11,490	-	16,687
Communications	25,319	14,985	13,542	28,527	-	53,846
Advertising and Media (Cash)	428	2,690	-	2,690	-	3,118
Advertising and Media (In-Kind)	43,428	24,650	-	24,650	-	68,078
Repairs and Maintenance	8,141	4,818	4,813	9,631	-	17,772
Membership Dues	1,353	2,181	123	2,304	-	3,657
Information Technology	38,581	58,442	18,947	77,389	-	115,970
Chapter Dues	645,538	147,552	129,108	276,660	-	922,198
Miscellaneous	72,527	44,723	1,110	45,833	-	118,360
Merchant Fees	-	48,756	-	48,756	-	48,756
Depreciation and Amortization	26,393	15,622	12,620	28,242	-	54,635
Special Event - Direct Donor Benefits	-	-	-	-	847,007	847,007
Total Expenses by Function	12,161,683	2,209,772	1,883,843	4,093,615	847,007	17,102,305
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(847,007)	(847,007)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 12,161,683	\$ 2,209,772	\$ 1,883,843	\$ 4,093,615	\$ -	\$ 16,255,298

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (496,917)	\$ (1,179,401)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	37,856	54,635
Amortization of Right-of-Use Asset, Financing Lease	6,918	-
Bad Debt Expense and Other	(130)	(9,218)
Contributions Restricted for Long-Term Investment	(200,000)	(200,000)
Net Realized and Unrealized Gains on Investments	(1,448,334)	(519,672)
Loss on Disposal of Property and Equipment	303	5,207
Change in Discount to Present Value of Contributions Receivable	(149)	784
Change in Operating Right-of-Use Assets and Lease Liabilities	27,196	16,063
(Increase) Decrease in Assets:		
Contributions Receivable	(647,496)	635,799
Due from Related Entities	(36,126)	(187,937)
Prepaid Expenses	(94,056)	(7,457)
Other Assets	(70,476)	653,486
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(78,036)	131,685
Due to Related Entities	(61,427)	50,100
Other Liabilities	-	(76,756)
Deferred Rent	-	(75,638)
Net Cash Used by Operating Activities	(3,060,874)	(708,320)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(455,517)	(417,194)
Proceeds from Sales of Investments	227,000	162,750
Purchases of Property and Equipment	(89,908)	(37,274)
Proceeds from Sale of Property and Equipment	9,890	-
Net Cash Used by Investing Activities	(308,535)	(291,718)
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted for Long-Term Investment	200,000	200,000
Principal Payments on Financing Lease Obligations	(5,113)	(4,502)
Net Cash Provided by Financing Activities	194,887	195,498
NET DECREASE IN CASH AND CASH EQUIVALENTS	(3,174,522)	(804,540)
Cash and Cash Equivalents - Beginning of Year	7,727,736	8,532,276
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 4,553,214	\$ 7,727,736

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF ILLINOIS
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED AUGUST 31, 2024 AND 2023**

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	<u>2024</u>	<u>2023</u>
Cash Paid for Interest Expense	<u>\$ 4,791</u>	<u>\$ 1,468</u>
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	<u>\$ 1,085,674</u>	<u>\$ 332,306</u>
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	<u>\$ 36,608</u>	<u>\$ -</u>
In-Kind Contributions	<u>\$ 5,418,990</u>	<u>\$ 4,082,950</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Illinois (the Foundation) is an Illinois 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.

The Foundation granted its first wish in 1985 and has granted a total of 18,717 wishes through August 31, 2024. For the years ended August 31, 2024 and August 31, 2023, the Foundation granted 790 and 729 wishes, respectively.

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.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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

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

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

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

Property and Equipment, Net

Property and equipment having a unit cost 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. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 5 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 ILLINOIS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

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. The governing Board has designated, from net assets without donor restrictions, net assets for an operating reserve to fund wishes that had been postponed due to the COVID-19 pandemic.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

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.

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

Revenue Recognition

Revenue is recognized on the accrual basis and generally consists of contributions, special event revenue, in-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 \$899,478 and \$847,008 for the years ended August 31, 2024 and 2023, 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, 2024 and 2023 totaled \$389,707 and \$355,516, respectively.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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. Conditional promises outstanding for the years ended August 31, 2024 and 2023 were \$-0-.

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>2024</u>	<u>2023</u>
Wish Related Travel, Goods, and Services	\$ 4,205,982	\$ 3,828,406
Professional Services	6,000	400
Rent	26,000	-
Other	89,210	28,815
Contributions Receivable, Net Change	592,324	(148,628)
Advertising and Media	47,213	68,078
Special Events	10,391	400
Property and Equipment	29,886	-
Auction	389,707	355,516
Other Assets, Net Change	<u>22,277</u>	<u>(50,037)</u>
Total Contributed Nonfinancial		
Assets and Services	<u>\$ 5,418,990</u>	<u>\$ 4,082,950</u>

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

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions: Donated Goods and Services (Continued)

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

Professional services relate to video production 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.

Other asset items donated consist primarily of toys, event tickets, and other items to enhance wish experiences and are reported at the fair value of these items based on current market rates for similar items in the Foundation's market.

Property and equipment items donated consist of technology equipment for employee use and were valued using the fair value of these items based on current market rates for similar items in the Foundation's market.

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

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and Illinois taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC) and Section 205 of the Illinois Revenue and Taxation Code. However, the Foundation remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

Management believes that no uncertain tax positions exist for the Foundation at August 31, 2024 and 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 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.

Adoption of Accounting Pronouncement

The Foundation has adopted ASU 2016-13, *Financial Instruments –Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, as amended, which modifies the measurement of expected credit losses. The Foundation adopted this new guidance utilizing the modified retrospective transition method. The adoption of this Standard did not have a material impact on the Foundation's financial statements but did change how the allowance for credit losses is determined.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

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. The Foundation strives to maintain liquid financial assets sufficient to cover six months of general expenditures, while also maximizing the investment of current and long-term investment funds. Holding 6 to 24 months of liquidity is considered excellent based off the enterprise-wide published scale.

	2024	2023
Total Financial Assets	\$ 18,550,968	\$ 19,364,738
Donor-Imposed Restrictions:		
Investments	(5,187,408)	(4,537,097)
Contributions Receivable, Net	(1,558,323)	(910,548)
Net Financial Assets after Donor-Imposed Restrictions	11,805,237	13,917,093
Internal Designations:		
Board-Designated Endowments	(1,916,046)	(2,400,000)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 9,889,191	\$ 11,517,093

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

Endowment funds consist of donor-restricted endowments and funds designated by the Board as endowments. Income from donor-restricted endowments is restricted for specific purposes as described in Note 9, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The Foundation has established two board-designated funds. The Foundation's unrestricted Board-Designated Fund (Board Fund) serves primarily as an operating reserve to support operating cash needs. The Foundation's policy is to maintain a minimum of three months of reserves with the Board Fund and commercial operating cash account. Spending from the Board Fund is based on amounts appropriated for expenditure as part of the Board's annual budget approval and appropriation. Amounts appropriated can be to support the annual operating budget or to support strategic plan initiatives that will lead to step-change improvement in wish growth.

Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which may include significant planned gifts. In 2020, the Foundation designated \$2,400,000 from a \$3,400,000 bequest. This board-designated reserve is to fund wishes that have been postponed by the COVID-19 pandemic. See Note 9 for further detail on board-designated reserves.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

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 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, 2024 and 2023 represent the amounts that would be received to sell those assets 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 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. 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.

Investments

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. Major investment decisions are authorized by the Board's 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 that are measured at fair value on a recurring basis, except those measured at cost as a practical expedient, at August 31:

	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
<u>August 31, 2024</u>					
Assets					
Investments:					
Mutual Funds	\$ 6,820,645	\$ -	\$ -	\$ -	\$ 6,820,645
Cash	-	-	-	20,925	20,925
Total Investments	6,820,645	-	-	20,925	6,841,570
Investments Held for Long-Term Purposes:					
Mutual Funds	5,165,634	-	-	-	5,165,634
Cash	-	-	-	21,774	21,774
Total Investments	5,165,634	-	-	21,774	5,187,408
Total Assets	\$ 11,986,279	\$ -	\$ -	\$ 42,699	\$ 12,028,978

MAKE-A-WISH FOUNDATION® OF ILLINOIS
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AUGUST 31, 2024 AND 2023

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (continued)

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Assets Not Held at Fair Value</u>	<u>Total</u>
<u>August 31, 2023</u>					
Assets					
Investments:					
Mutual Funds	\$ 5,797,711	\$ -	\$ -	\$ -	\$ 5,797,711
Cash	-	-	-	17,319	17,319
Total Investments	<u>5,797,711</u>	<u>-</u>	<u>-</u>	<u>17,319</u>	<u>5,815,030</u>
Investments Held for Long-Term Purposes:					
Mutual Funds	4,522,923	-	-	-	4,522,923
Cash	-	-	-	14,174	14,174
Total Investments	<u>4,522,923</u>	<u>-</u>	<u>-</u>	<u>14,174</u>	<u>4,537,097</u>
 Total Assets	 <u>\$ 10,320,634</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 31,493</u>	 <u>\$ 10,352,127</u>

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at rates ranging from to 0.04% to 0.84% at August 31, 2024 and 2023. The following is a summary of the Foundation's contributions receivable at August 31:

	<u>2024</u>	<u>2023</u>
Total Amounts Due in:		
Within One Year	\$ 1,537,118	\$ 839,622
One to Five Years	25,000	75,000
Gross Contributions Receivable	1,562,118	914,622
Less: Allowance for Doubtful Accounts	(3,790)	(3,920)
Less: Discount to Present Value	(5)	(154)
Contributions Receivable, Net	<u>\$ 1,558,323</u>	<u>\$ 910,548</u>

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

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 and other miscellaneous revenues. During the years ended August 31, 2024 and 2023, respectively, the Foundation received \$2,478,851 and \$2,395,091 from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amount totaling \$1,231,862 and \$1,007,609 were paid from the Foundation to the National Organization during the years ended August 31, 2024 and 2023, 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 \$4,300 and \$10,800, respectively, for the years ended August 31, 2024 and 2023, 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:

	2024	2023
Due from National Organization	\$ 393,222	\$ 352,088
Due from Other Chapters	17,231	22,239
Total Due from Related Entities	\$ 410,453	\$ 374,327
Due to National Organization	\$ 28,399	\$ 6,223
Due to Other Chapters	189,023	272,626
Total Due to Related Entities	\$ 217,422	\$ 278,849

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, 2024 and 2023 the Foundation received contributions, both cash and in-kind, from Board members totaling \$953,330 and \$327,648, respectively. At August 31, 2024 and 2023, amounts due from Board members totaled \$109,504 and \$100,000, respectively, and are included in contributions receivable in the accompanying statements of financial position.

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NOTES TO FINANCIAL STATEMENTS
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NOTE 7 PROPERTY AND EQUIPMENT, NET

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

	2024	2023
Computer Equipment and Software	\$ 188,119	\$ 173,021
Office Furniture	46,667	235,925
Leasehold Improvements	7,360	14,489
Total	242,146	423,435
Less: Accumulated Depreciation and Amortization	(139,635)	(362,783)
Property and Equipment, Net	\$ 102,511	\$ 60,652

Depreciation expense totaled \$37,856 and \$54,635, respectively for the years ended August 31, 2024 and 2023.

NOTE 8 LEASES

The Foundation leases certain office facilities and equipment for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2031.

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

	2024	2023
Lease Cost:		
Financing Lease Cost:		
Amortization of Right-of-Use Assets	\$ 6,918	\$ -
Interest on Lease Liabilities	4,791	-
Operating Lease Cost	169,763	258,053
Short-Term Lease Cost	26,000	-
Total Lease Cost	\$ 181,472	\$ 258,053
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Financing Leases	\$ 4,791	\$ -
Operating Cash Flows from Operating Leases	128,794	317,628
Financing Cash Flows from Financing Leases	5,113	-
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	\$ 36,608	\$ -
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 1,085,674	\$ 332,306
Weighted-Average Remaining Leases Term - Financing Leases	3.4 Years	-
Weighted Average Remaining Lease Term - Operating Leases	6.9 Years	0.6 Years
Weighted-Average Discount Rate - Financing Leases	19.27%	-
Weighted-Average Discount Rate - Operating Leases	4.02%	3.58%

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NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 8 LEASES (CONTINUED)

A maturity analysis of annual undiscounted cash flows for lease liabilities as of August 31, 2024, is as follows:

<u>Year Ending August 31,</u>	<u>Operating Leases</u>	<u>Financing Leases</u>
2025	\$ 132,537	\$ 13,958
2026	176,688	13,958
2027	176,205	6,646
2028	180,632	5,184
2029	185,135	2,592
Thereafter	384,254	-
Total Lease Payments	<u>1,235,451</u>	<u>42,338</u>
Less: Imputed Interest	<u>168,010</u>	<u>10,843</u>
Present Value of Lease Liabilities	<u>\$ 1,067,441</u>	<u>\$ 31,495</u>

NOTE 9 NET ASSETS

Net Assets Without Donor Restrictions

At August 31, 2024 and 2023, net assets without donor restrictions includes a board-designated fund of \$6,841,570 and \$5,815,030, respectively, that serves primarily as an operating reserve to support operating cash needs.

In addition, the Foundation received a substantial bequest during the year ended August 31, 2021, without any donor-imposed restriction. At that time, the board designated \$2,400,000 of this bequest to fund wishes that have been delayed by the COVID-19 pandemic once these wishes can be granted, of which the balance remaining is \$1,916,046 and \$2,400,000 as of August 31, 2024 and 2023, respectively.

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NOTE 9 NET ASSETS (CONTINUED)

Net Assets With Donor Restrictions

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

	2024	2023
Subject to Expenditure for Specified Purpose:		
In-Kind - Unconditional Promise to Give	\$ 1,236,681	\$ 644,357
Subject to Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	321,615	266,164
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	1,009,695	559,591
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
Wish Granting	3,677,715	3,477,507
Medical Outreach	500,000	500,000
Total Endowments	5,187,410	4,537,098
Total Donor-Restricted Net Assets	\$ 6,745,706	\$ 5,447,619

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, both donor-restricted endowment funds and board-designated endowment funds.

The Foundation's endowment consists of four individual funds established for a variety of purposes including both donor-restricted endowment funds and funds designated by the Board of Directors to function as endowments. Net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions. Endowment assets, both donor-restricted and board-designated, are reflected as investments held for long-term purposes on the statements of financial position.

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the Illinois 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.

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NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 10 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

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, 2024, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 4,177,715	\$ 4,177,715
Accumulated Investment Gains	-	1,009,695	1,009,695
Total Funds	\$ -	\$ 5,187,410	\$ 5,187,410

Endowment fund composition by type of fund as of August 31, 2023, is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 3,977,507	\$ 3,977,507
Accumulated Investment Gains	-	559,591	559,591
Total Funds	\$ -	\$ 4,537,098	\$ 4,537,098

MAKE-A-WISH FOUNDATION® OF ILLINOIS
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AUGUST 31, 2024 AND 2023

NOTE 10 ENDOWMENTS (CONTINUED)

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

<u>August 31, 2024</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds - Beginning of Year	\$ -	\$ 4,537,098	\$ 4,537,098
Investment Return:			
Investment Income	-	152,788	152,788
Net Appreciation (Realized and Unrealized)	-	524,316	524,316
Total Investment Return	-	677,104	677,104
Contributions	-	200,208	200,208
Appropriation of Endowment Asset for Expenditure	-	(227,000)	(227,000)
Endowment Funds - End of Year	<u>\$ -</u>	<u>\$ 5,187,410</u>	<u>\$ 5,187,410</u>
<u>August 31, 2023</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds - Beginning of Year	\$ 100,000	\$ 4,228,886	\$ 4,328,886
Investment Return:			
Investment Income	-	126,891	126,891
Net Appreciation (Realized and Unrealized)	-	144,071	144,071
Total Investment Return	-	270,962	270,962
Contributions	-	100,000	100,000
Reclassification to Endowment Asset	(100,000)	100,000	-
Appropriation of Endowment Asset for Expenditure	-	(162,750)	(162,750)
Endowment Funds - End of Year	<u>\$ -</u>	<u>\$ 4,537,098</u>	<u>\$ 4,537,098</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, 2024 and 2023.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
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NOTE 10 ENDOWMENTS (CONTINUED)

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment fund(s) while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds.

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 a blended benchmark of U.S. and other world indices, as applicable, for different asset classes 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.

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 between 3% and 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 90 days of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain Internal Revenue Code limitations. The Foundation matches employee contributions up to \$0.25 for every dollar contributed up to 6% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2024 and 2023 were \$42,545 and \$37,777, respectively.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
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NOTE 12 CONCENTRATIONS

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 \$2,422,557 and \$2,110,781 were received from a single donor, respectively, for the years ended August 31, 2024 and 2023, which represents 16% and 14% of raised revenue which consists of total public support and gross internal special event revenue. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 13 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the years ended August 31, 2024 and 2023, the Foundation granted 790 and 729 wishes, respectively. As of August 31, 2024 and 2023, there were approximately 1,300 and 1,500 wish children, respectively, who are eligible for a wish. The average cost of a wish for the year ended August 31, 2024 was \$6,670 in cash and \$5,317 in in-kind for a total cost of \$11,987. The average cost of a wish for the year ended August 31, 2023 was \$7,000 in cash and \$5,171 in in-kind for a total cost of \$12,171.

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. Cruise wish travel resumed in June 2024 and international wish travel resumed effective September 1, 2024. Prior to fiscal year 2020, travel wishes have been approximately 83% of wishes granted and the number of granted wishes averaged approximately 713. The number of wishes granted during the years ended August 31, 2024 and 2023 was 790 and 729, respectively.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
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NOTE 15 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through December 17, 2024, the date at which the financial statements were available to be issued.



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