

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



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Mid-South  
Memphis, Tennessee

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

#### ***Opinion***

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Mid-South (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 Mid-South 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 Mid-South 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 Mid-South'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 Mid-South'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 Mid-South'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**

Oak Brook, Illinois  
December 18, 2024

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

	2024	2023
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 587,583	\$ 596,612
Investments	6,893,445	6,255,057
Due from Related Entities	71,582	92,209
Prepaid Expenses	166,471	127,769
Contributions Receivable, Net	305,594	260,523
Other Assets	345	6,785
Investments Held for Long-Term Purposes	462,960	411,735
Right-of-Use Assets - Operating	1,060,004	12,497
Right-of-Use Assets - Finance	22,992	31,539
Property and Equipment, Net	196,829	17,142
	\$ 9,767,805	\$ 7,811,868
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 243,847	\$ 227,741
Due to Related Entities	85,865	29,697
Lease Liability - Operating	1,065,517	14,915
Lease Liability - Financing	23,259	31,680
	1,418,488	304,033
<b>NET ASSETS</b>		
Without Donor Restrictions	7,544,073	6,813,978
With Donor Restrictions	805,244	693,857
Total Net Assets	8,349,317	7,507,835
Total Liabilities and Net Assets	\$ 9,767,805	\$ 7,811,868

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF MID-SOUTH  
STATEMENT OF ACTIVITIES  
YEAR ENDED AUGUST 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Cash	\$ 3,268,803	\$ 4,121	\$ 3,272,924
Contributions, Donated Goods and Services	1,157,891	305,597	1,463,488
Grants	98,884	-	98,884
Total Public Support	4,525,578	309,718	4,835,296
Internal Special Events, Cash	866,683	40,000	906,683
Internal Special Events, Donated Goods and Services	13,372	-	13,372
Less Costs of Direct Benefits to Donors	(93,576)	-	(93,576)
Total Internal Special Events	786,479	40,000	826,479
Investment Income, Net	881,472	70,120	951,592
Other Income	1,351	-	1,351
Net Assets Released from Restrictions	308,451	(308,451)	-
Total Revenues, Gains, and Other Support	6,503,331	111,387	6,614,718
<b>EXPENSES</b>			
Program Services:			
Wish Granting	4,434,501	-	4,434,501
Support Services:			
Fundraising	671,329	-	671,329
Management and General	667,406	-	667,406
Total Support Services	1,338,735	-	1,338,735
Total Expenses	5,773,236	-	5,773,236
<b>CHANGE IN NET ASSETS</b>	730,095	111,387	841,482
Net Assets - Beginning of Year	6,813,978	693,857	7,507,835
<b>NET ASSETS - END OF YEAR</b>	\$ 7,544,073	\$ 805,244	\$ 8,349,317

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF MID-SOUTH**  
**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	\$ 2,942,168	\$ 25,000	\$ 2,967,168
Contributions, Donated Goods and Services	995,219	260,523	1,255,742
Grants	186,770	-	186,770
Total Public Support	4,124,157	285,523	4,409,680
Internal Special Events, Cash	817,772	23,750	841,522
Internal Special Events, Donated Goods and Services	21,097	-	21,097
Less Costs of Direct Benefits to Donors	(93,197)	-	(93,197)
Total Internal Special Events	745,672	23,750	769,422
Investment Income, Net	414,214	32,127	446,341
Other Income	7,875	-	7,875
Net Assets Released from Restrictions	169,769	(169,769)	-
Total Revenues, Gains, and Other Support	5,461,687	171,631	5,633,318
<b>EXPENSES</b>			
Program Services:			
Wish Granting	3,959,508	-	3,959,508
Support Services:			
Fundraising	535,382	-	535,382
Management and General	653,837	-	653,837
Total Support Services	1,189,219	-	1,189,219
Total Expenses	5,148,727	-	5,148,727
<b>CHANGE IN NET ASSETS</b>	312,960	171,631	484,591
Net Assets - Beginning of Year	6,501,018	522,226	7,023,244
<b>NET ASSETS - END OF YEAR</b>	\$ 6,813,978	\$ 693,857	\$ 7,507,835

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF MID-SOUTH**  
**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	\$ 3,193,939	\$ -	\$ -	\$ -	\$ -	\$ 3,193,939
Salaries, Taxes, and Benefits	765,163	462,664	527,984	990,648	-	1,755,811
Printing, Subscriptions, and Publications	6,838	5,417	2,169	7,586	-	14,424
Professional Fees	11,223	2,210	2,388	4,598	-	15,821
Rent and Utilities	68,108	35,473	38,311	73,784	-	141,892
Postage and Delivery	7,738	7,215	2,374	9,589	-	17,327
Travel	3,537	12,237	1,396	13,633	-	17,170
Meetings and Conferences	3,787	20,632	1,265	21,897	-	25,684
Office Supplies	42,761	13,980	3,787	17,767	-	60,528
Communications	12,328	6,421	6,934	13,355	-	25,683
Advertising and Media	2,548	1,661	27	1,688	-	4,236
Repairs and Maintenance	2,993	1,559	1,683	3,242	-	6,235
Membership Dues	148	77	83	160	-	308
Chapter Dues	272,369	62,256	54,474	116,730	-	389,099
Miscellaneous	32,231	34,949	19,324	54,273	-	86,504
Depreciation and Amortization	8,790	4,578	5,207	9,785	-	18,575
Special Event - Direct Donor Benefits	-	-	-	-	93,576	93,576
Total Expenses by Function	<u>4,434,501</u>	<u>671,329</u>	<u>667,406</u>	<u>1,338,735</u>	<u>93,576</u>	<u>5,866,812</u>
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(93,576)</u>	<u>(93,576)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 4,434,501</u>	<u>\$ 671,329</u>	<u>\$ 667,406</u>	<u>\$ 1,338,735</u>	<u>\$ -</u>	<u>\$ 5,773,236</u>

See accompanying Notes to Financial Statements.



**MAKE-A-WISH FOUNDATION® OF MID-SOUTH  
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	\$ 2,826,170	\$ -	\$ -	\$ -	\$ -	\$ 2,826,170
Salaries, Taxes, and Benefits	742,151	358,792	523,714	882,506	-	1,624,657
Printing, Subscriptions, and Publications	4,920	6,911	1,506	8,417	-	13,337
Professional Fees	10,193	2,228	2,314	4,542	-	14,735
Rent and Utilities	59,923	33,044	34,380	67,424	-	127,347
Postage and Delivery	5,749	7,549	2,186	9,735	-	15,484
Travel	3,901	8,753	1,271	10,024	-	13,925
Meetings and Conferences	5,345	13,486	1,184	14,670	-	20,015
Office Supplies	15,662	11,856	3,085	14,941	-	30,603
Communications	11,771	6,512	6,762	13,274	-	25,045
Advertising and Media	2,500	131	-	131	-	2,631
Repairs and Maintenance	6,880	3,806	4,072	7,878	-	14,758
Membership Dues	141	78	81	159	-	300
National Partnership Dues	236,023	53,948	47,205	101,153	-	337,176
Miscellaneous	23,071	25,462	23,143	48,605	-	71,676
Depreciation and Amortization	5,108	2,826	2,934	5,760	-	10,868
Special Event - Direct Donor Benefits	-	-	-	-	93,197	93,197
Total Expenses by Function	<u>3,959,508</u>	<u>535,382</u>	<u>653,837</u>	<u>1,189,219</u>	<u>93,197</u>	<u>5,241,924</u>
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(93,197)	(93,197)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 3,959,508</u>	<u>\$ 535,382</u>	<u>\$ 653,837</u>	<u>\$ 1,189,219</u>	<u>\$ -</u>	<u>\$ 5,148,727</u>

See accompanying Notes to Financial Statements.

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

	2024	2023
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 841,482	\$ 484,591
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	12,577	10,868
Amortization of Right-of-Use Asset, Finance Lease	5,998	1,106
Contributions Restricted for Long-Term Investment	(4,121)	(25,000)
Net Realized and Unrealized Gains on Investments	(741,810)	(177,364)
Change in Operating Right-of-Use Assets and Lease Liabilities	3,095	2,418
(Increase) Decrease in Assets:		
Contributions Receivable	(45,071)	(112,603)
Due from Related Entities	20,627	(24,868)
Prepaid Expenses	(38,702)	15,621
Other Assets	6,440	(131)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	16,106	(20,146)
Due to Related Entities	56,168	(35,591)
Net Cash Provided by Operating Activities	132,789	118,901
 <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(372,845)	(2,431,944)
Proceeds from Sales of Investments	425,042	2,110,637
Purchases of Property and Equipment	(192,264)	(7,903)
Net Cash Used by Investing Activities	(140,067)	(329,210)
 <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions Restricted for Long-Term Investment	4,121	25,000
Principal Payments on Finance Lease Obligations	(5,751)	(965)
Remeasurement Right-of-Use Finance Lease	(121)	-
Net Cash Provided (Used) by Financing Activities	(1,751)	24,035
 <b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(9,029)	(186,274)
 Cash and Cash Equivalents - Beginning of Year	596,612	782,886
 <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 587,583	\$ 596,612
 <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 1,067,669	\$ 41,655
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ -	\$ 32,645
Cash Paid for Interest Expense	\$ 1,087	\$ 219
Contributed Property and Inventory	\$ 74,548	\$ -

See accompanying Notes to Financial Statements.

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

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of Mid-South (the Foundation) is a Tennessee 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 (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. Included in cash and cash equivalents at August 31, 2024 and 2023 is \$100,846 and \$266,933, respectively, of money market mutual funds.

**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. Investments in the Common Collective Trust are valued by using the net asset value (NAV) per share (or its equivalent), as a practical expedient.

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 MID-SOUTH**  
**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 \$2,500 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. 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 MID-SOUTH**  
**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.

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.

**MAKE-A-WISH FOUNDATION® OF MID-SOUTH**  
**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-kinds and other income.

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

Special event revenue consists of registrations, sponsorships and other contributions. The exchange element of the special event revenue was approximately \$93,576 and \$93,197 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 \$112,727 and \$136,939, respectively.

**MAKE-A-WISH FOUNDATION® OF MID-SOUTH  
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.

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	\$ 1,372,808	\$ 1,250,871
Internal Special Events	13,372	21,097
Property & Equipment	74,548	-
Other	<u>16,132</u>	<u>4,871</u>
Total Contributed Nonfinancial Assets and Services	<u>\$ 1,476,860</u>	<u>\$ 1,276,839</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.

Internal 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

Property and Equipment items donated consist of leasehold improvements and professional services valued by the donor based on rates charged and estimated fair market value based on current rates of similar goods and services.

Other contributions include office supplies, external events, referral outreach and wish closet donated goods and services. The Foundation estimates the fair value of of donated goods and services on the basis of estimated fair market value.

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

**Contributions: Donated Goods and Services (Continued)**

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

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



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

**Management Estimates**

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

**Adoption of Accounting Pronouncement**

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.

**NOTE 3 LIQUIDITY AND AVAILABILITY**

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

	<u>2024</u>	<u>2023</u>
Total Financial Assets	\$ 8,321,164	\$ 7,616,136
Donor-Imposed Restrictions:		
Restricted Funds	(345,597)	(284,276)
Endowments	<u>(459,647)</u>	<u>(409,581)</u>
Net Financial Assets after Donor-Imposed Restrictions	7,515,920	6,922,279
Internal Designations:		
Board Advised Funds	<u>(354,309)</u>	<u>(304,495)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 7,161,611</u>	<u>\$ 6,617,784</u>

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

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, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

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

During the year ended August 31, 2021, the board created the Nick Vergos Wish Fund to ensure no child is ever turned away from having a wish. Although the Foundation does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the board's annual budget approval and appropriation), these amounts could be made available if necessary.

As part of the Foundation's liquidity management plan, cash in excess of daily requirements are invested in short-term investments, CDs, and money market funds.

**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, 2024 and 2023 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 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.

**Overall Investment Objective**

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

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

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

Allocation of Investment Strategies

In addition to traditional stocks and fixed income securities, the Foundation may also hold shares or units in common collective trust funds that invest in equity securities, short duration fixed income funds, and multi strategy funds. The fair values of the Foundation's interests in shares or units of these funds, because of liquidity or redemption restrictions that vary depending on the specific fund, may differ from the fair value of the fund's underlying net assets.

**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 or by NAV per share 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>					
<b>Assets</b>					
Investments:					
Money Market	\$ -	\$ -	\$ -	\$ 1,532,043	\$ 1,532,043
Mutual Funds:					
Multiple Strategies	-	-	-	532,287	532,287
Alternative Investments:					
Common Collective Trust					
Invested in Equity Securities	-	-	-	3,593,424	3,593,424
Common Collective Trust					
Invested in Short Duration					
Fixed Income Funds	294,580	-	-	1,404,071	1,698,651
	<u>294,580</u>	<u>-</u>	<u>-</u>	<u>1,404,071</u>	<u>1,698,651</u>
Total Assets	<u>\$ 294,580</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,061,825</u>	<u>\$ 7,356,405</u>

	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
<u>August 31, 2023</u>					
<b>Assets</b>					
Investments:					
Money Market	\$ -	\$ -	\$ -	\$ 1,618,397	\$ 1,618,397
Mutual Funds:					
Multiple Strategies	-	-	-	494,061	494,061
Alternative Investments:					
Common Collective Trust					
Invested in Equity Securities	-	-	-	2,901,013	2,901,013
Common Collective Trust					
Invested in Short Duration					
Fixed Income Funds	380,028	-	-	1,273,293	1,653,321
	<u>380,028</u>	<u>-</u>	<u>-</u>	<u>1,273,293</u>	<u>1,653,321</u>
Total Assets	<u>\$ 380,028</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,286,764</u>	<u>\$ 6,666,792</u>

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

**Fair Value Hierarchy (Continued)**

Investments in certain entities that are measured at fair value using NAV per share as a practical expedient are as follows at August 31:

<u>Investment Strategy</u>	2024			
	<u>NAV in Funds</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Mutual Funds:				
Multiple Strategies	\$ 532,287	\$ -	Monthly	2 days
Alternative Investments:				
Common Collective Trust				
Invested in Equity Securities	3,593,424	-	Monthly	2 days
Common Collective Trust				
Invested in Short Duration				
Fixed Income Funds	1,404,071	-	Monthly	2 days
Total	<u>\$ 5,529,782</u>	<u>\$ -</u>		
<u>Investment Strategy</u>	2023			
	<u>NAV in Funds</u>	<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
Mutual Funds:				
Multiple Strategies	\$ 494,061	\$ -	Monthly	2 days
Alternative Investments:				
Common Collective Trust				
Invested in Equity Securities	2,901,013	-	Monthly	2 days
Common Collective Trust				
Invested in Short Duration				
Fixed Income Funds	1,273,293	-	Monthly	2 days
Total	<u>\$ 4,668,367</u>	<u>\$ -</u>		

**NOTE 5 CONTRIBUTIONS RECEIVABLE**

The Foundation's contributions receivable as of August 31, 2024 and 2023 were \$305,594 and \$260,523, respectively. All contributions receivable are due within the next 12 months. Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at 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 \$553,025 and \$622,406 from these national revenue streams.

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

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 \$423,120 and \$366,067 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 \$1,350 and \$2,175, 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 are as follows at August 31:

	<u>2024</u>	<u>2023</u>
Due from National Organization	\$ 66,457	\$ 88,887
Due from Other Chapters	5,125	3,322
Total Due from Related Entities	<u>\$ 71,582</u>	<u>\$ 92,209</u>
Due to National Organization	\$ 12,284	\$ 5,218
Due to Other Chapters	73,581	24,479
Total Due to Related Entities	<u>\$ 85,865</u>	<u>\$ 29,697</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, 2024 and 2023 the Foundation received contributions, both cash and in-kind, from board members totaling \$165,913 and \$186,908, respectively. At August 31, 2024 and 2023, there were no amounts due from board members.

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**NOTE 7 PROPERTY AND EQUIPMENT, NET**

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

	2024	2023
Computer Equipment and Software	\$ 53,423	\$ 44,630
Office Furniture	66,984	11,596
Leasehold Improvements	108,365	14,718
Total	228,772	70,944
Less: Accumulated Depreciation	(31,943)	(53,802)
Property and Equipment, Net	\$ 196,829	\$ 17,142

Depreciation expense totaled \$12,577 and \$10,868, respectively, for the years ended August 31, 2024 and 2023.

**NOTE 8 LEASES**

**Lease Agreements**

The Foundation leases equipment as well as an operating facility for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2034.

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

	2024	2023
Lease Cost:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets	\$ 5,998	\$ 1,106
Interest on Lease Liabilities	1,087	219
Operating Lease Cost	23,735	30,196
Short-Term Lease Cost	85,911	42,955
Total Lease Costs	\$ 116,731	\$ 74,476

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**NOTE 8 LEASES (CONTINUED)**

**Lease Agreements (Continued)**

	2024	2023
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating Cash Flows from Finance Leases	\$ 1,087	\$ 219
Operating Cash Flows from Operating Leases	\$ 20,640	\$ 34,684
Financing Cash Flows from Finance Leases	\$ 5,751	\$ 965
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ -	\$ 32,645
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 1,067,669	\$ 41,655
Weighted Average Remaining Lease Term - Finance Leases	3.8 years	4.8 years
Weighted Average Remaining Lease Term - Operating Leases	9.5 years	0.4 years
Weighted-Average Discount Rate - Finance Leases	4.13%	4.13%
Weighted-Average Discount Rate - Operating Leases	3.92%	3.40%

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>Finance Leases</u>
2025	\$ 123,412	\$ 6,571
2026	124,569	6,571
2027	127,372	6,571
2028	130,238	5,476
2029	133,168	-
Thereafter	649,334	-
Total Lease Payments	1,288,093	25,189
Less: Imputed Interest	(222,576)	(1,930)
Present Value of Lease Liabilities	\$ 1,065,517	\$ 23,259

**NOTE 9 NET ASSETS**

**Net Assets Without Donor Restrictions**

At August 31, 2024 and 2023, net assets without donor restrictions includes \$354,309 and \$304,495 respectively, that has been designated by the board to create the Nick Vergos Wish Fund. The fund exists to support the wish granting program.

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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 Pledge Receivable	\$ 305,597	\$ 260,526
Subject to Passage of Time:		
Special Events	40,000	23,750
Total	40,000	23,750
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	213,726	167,781
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
Diversified Trust Endowment	245,921	241,800
Total	459,647	409,581
Total Donor-Restricted Net Assets	\$ 805,244	\$ 693,857

**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 one individual fund established by donors to grant wishes in perpetuity 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 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 Tennessee UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as donor-restricted net assets: (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulated earnings on the donor-restricted endowment funds.



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**NOTE 10 ENDOWMENTS (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

The accumulated earnings on the endowment funds remain treated as donor-restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

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

	Without Donor Restrictions	With Donor Restrictions	Total
August 31, 2024			
Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by donor	\$ -	\$ 245,921	\$ 245,921
Accumulated Investment Gains	3,313	213,726	217,039
Total Funds	\$ 3,313	\$ 459,647	\$ 462,960
August 31, 2023			
Endowment Funds:			
Original Donor-Restricted Gift Amount and Amounts Required to be Maintained in Perpetuity by donor	\$ -	\$ 241,800	\$ 241,800
Accumulated Investment Gains	2,155	167,781	169,936
Total Funds	\$ 2,155	\$ 409,581	\$ 411,736

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**NOTE 10 ENDOWMENTS (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

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

<u>August 31, 2024</u>	<u>Restrictions</u>	<u>Restrictions</u>	<u>Total</u>
Endowment Funds - Beginning of Year	\$ 2,155	\$ 409,581	\$ 411,736
Investment Return:			
Investment Income	235	12,080	12,315
Net Appreciation - Realized and Unrealized	923	58,040	58,963
Total Investment Return	<u>1,158</u>	<u>70,120</u>	<u>71,278</u>
Contributions	-	4,121	4,121
Appropriation of Endowment Asset Pursuant to Spending-Rate Policy	<u>-</u>	<u>(24,175)</u>	<u>(24,175)</u>
Endowment Funds - End of Year	<u>\$ 3,313</u>	<u>\$ 459,647</u>	<u>\$ 462,960</u>
<u>August 31, 2023</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds - Beginning of Year	\$ 2,004	\$ 355,306	\$ 357,310
Investment Return:			
Investment Income	272	10,973	11,245
Net Appreciation (Depreciation) - Realized and Unrealized	(121)	21,154	21,033
Total Investment Return	<u>151</u>	<u>32,127</u>	<u>32,278</u>
Contributions	-	25,000	25,000
Appropriation of Endowment Asset Pursuant to Spending-Rate Policy	<u>-</u>	<u>(2,852)</u>	<u>(2,852)</u>
Endowment Funds - End of Year	<u>\$ 2,155</u>	<u>\$ 409,581</u>	<u>\$ 411,736</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.

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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 [if none, delete]. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 5% 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 does not have a spending policy given the insignificant balance of the endowment and its annual return.

**NOTE 11 RETIREMENT PLAN**

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of one year of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches 50% of employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2024 and 2023 were \$29,523 and \$26,167, respectively.

**NOTE 12 CONCENTRATIONS**

Financial instruments that potentially subject the Foundation to concentration 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.

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**NOTE 12 CONCENTRATIONS (CONTINUED)**

Contributions totaling \$924,055 were received from a single donor for the year ended August 31, 2024, which represents 19% of raised revenue of total public support and gross internal special event revenue. Contributions totaling \$800,406 were received from a single donor for the year ended August 31, 2023, which represents 18% of raised revenue 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 284 and 277 wishes, respectively. As of August 31, 2024 and 2023, respectively, there were approximately 390 and 400 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2024 was \$6,628 in cash and \$4,606 in in-kind for a total cost of \$11,234. The average cost of a wish for the year ended August 31, 2023 was \$6,057 in cash and \$4,145 in in-kind for a total cost of \$10,202.

**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 75% of wishes granted and the number of granted wishes averaged approximately 278. The number of wishes granted during the years ended August 31, 2024 and 2023 was 284 and 277, respectively.

**NOTE 15 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through December 18, 2024, the date at which the financial statements were available to be issued.



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