

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



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

Board of Directors
Make-A-Wish Foundation® of New Mexico
Albuquerque, New Mexico

Report on the Audit of the Financial Statements

Opinion

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

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



CliftonLarsonAllen LLP

Phoenix, Arizona
January 16, 2025

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

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 2,073,143	\$ 1,786,538
Investments	451,771	396,021
Due from Related Entities	53,185	39,376
Prepaid Expenses	59,613	48,812
Contributions Receivable, Net	269,113	67,496
Other Assets	24,503	3,921
Property and Equipment, Net	780	992
Right-of-Use Assets - Operating	13,210	45,107
Right-of-Use Assets - Financing	11,579	-
	<u>\$ 2,956,897</u>	<u>\$ 2,388,263</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 153,415	\$ 64,003
Due to Related Entities	24,387	27,641
Deferred Revenue, Internal Events	2,600	1,682
Lease Liability - Operating	13,248	45,235
Lease Liability - Financing	11,453	-
	<u>205,103</u>	<u>138,561</u>
NET ASSETS		
Without Donor Restrictions	2,602,986	2,182,162
With Donor Restrictions	148,808	67,540
Total Net Assets	<u>2,751,794</u>	<u>2,249,702</u>
	<u>\$ 2,956,897</u>	<u>\$ 2,388,263</u>

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 1,572,207	\$ -	\$ 1,572,207
Contributions, Donated Goods and Services	480,609	148,764	629,373
Grants	169,169	-	169,169
Total Public Support	2,221,985	148,764	2,370,749
Internal Special Events	320,654	-	320,654
Internal Special Events, Donated Goods and Services	19,374	-	19,374
Less: Costs of Direct Benefits to Donors	(54,060)	-	(54,060)
Total Internal Special Events	285,968	-	285,968
Investment Income, Net	77,706	-	77,706
Other Income	300	-	300
Net Assets Released from Restrictions	67,496	(67,496)	-
Total Revenues, Gains, and Other Support	2,653,455	81,268	2,734,723
EXPENSES			
Program Services:			
Wish Granting	1,807,509	-	1,807,509
Support Services:			
Fundraising	222,152	-	222,152
Management and General	202,970	-	202,970
Total Support Services	425,122	-	425,122
Total Expenses	2,232,631	-	2,232,631
CHANGE IN NET ASSETS	420,824	81,268	502,092
Net Assets - Beginning of Year	2,182,162	67,540	2,249,702
NET ASSETS - END OF YEAR	\$ 2,602,986	\$ 148,808	\$ 2,751,794

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 1,430,804	\$ -	\$ 1,430,804
Contributions, Donated Goods and Services	482,900	67,496	550,396
Grants	108,129	-	108,129
Total Public Support	2,021,833	67,496	2,089,329
Internal Special Events	255,797	-	255,797
Internal Special Events, Donated Goods and Services	240	-	240
Less: Costs of Direct Benefits to Donors	(20,146)	-	(20,146)
Total Internal Special Events	235,891	-	235,891
Investment Loss, Net	19,156	-	19,156
Other Income	450	-	450
Net Assets Released from Restrictions	55,803	(55,803)	-
	2,333,133	11,693	2,344,826
EXPENSES			
Program Services:			
Wish Granting	1,730,534	-	1,730,534
Total Program Services	1,730,534	-	1,730,534
Support Services:			
Fundraising	214,482	-	214,482
Management and General	175,041	-	175,041
Total Support Services	389,523	-	389,523
Total Expenses	2,120,057	-	2,120,057
CHANGE IN NET ASSETS	213,076	11,693	224,769
Net Assets - Beginning of Year	1,969,086	55,847	2,024,933
NET ASSETS - END OF YEAR	\$ 2,182,162	\$ 67,540	\$ 2,249,702

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW MEXICO
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	\$ 1,336,425	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,336,425
Salaries, Taxes, and Benefits	318,100	120,951	91,745	212,696	-	-	530,796
Printing, Subscriptions, and Publications	645	3,672	1,678	5,350	-	-	5,995
Professional Fees	3,057	9,279	56,202	65,481	-	-	68,538
Rent and Utilities	20,352	7,802	5,914	13,716	-	-	34,068
Postage and Delivery	897	749	341	1,090	-	-	1,987
Travel	37	4,949	6,319	11,268	-	-	11,305
Meetings and Conferences	-	12,233	3,112	15,345	-	-	15,345
Office Supplies	8,322	4,123	4,017	8,140	-	-	16,462
Communications	1,156	434	645	1,079	-	-	2,235
Advertising and Media (In-Kind)	-	11,700	-	11,700	-	-	11,700
Repairs and Maintenance	1,859	776	238	1,014	-	-	2,873
National Partnership Dues	115,014	26,289	23,003	49,292	-	-	164,306
Miscellaneous	1,099	19,048	9,501	28,549	-	-	29,648
Depreciation and Amortization	546	147	255	402	-	-	948
Special Event - Direct Donor Benefits	-	-	-	-	54,060	-	54,060
Total Expenses by Function	1,807,509	222,152	202,970	425,122	54,060	-	2,286,691
Less: Expenses Netted Against Revenues on the Statement of Activities:							
Special Event Expenses	-	-	-	-	(54,060)	-	(54,060)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 1,807,509	\$ 222,152	\$ 202,970	\$ 425,122	\$ -	\$ -	\$ 2,232,631

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW MEXICO
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2023

	Program Services		Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services			
Direct Costs of Wishes	\$ 1,289,890	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,289,890
Salaries, Taxes, and Benefits	299,068	127,472	63,736	191,208	-	-	490,276
Printing, Subscriptions, and Publications	581	2,791	464	3,255	-	-	3,836
Professional Fees	254	702	54,517	55,219	-	-	55,473
Rent and Utilities	19,935	8,497	4,249	12,746	-	-	32,681
Postage and Delivery	974	776	152	928	-	-	1,902
Travel	(16)	3,371	12,865	16,236	-	-	16,220
Meetings and Conferences	736	5,384	7,867	13,251	-	-	13,987
Office Supplies	12,835	1,072	1,035	2,107	-	-	14,942
Communications	1,529	652	326	978	-	-	2,507
Advertising and Media (In-Kind)	-	19,478	-	19,478	-	-	19,478
Repairs and Maintenance	2,543	1,084	544	1,628	-	-	4,171
National Partnership Dues	100,235	22,911	20,047	42,958	-	-	143,193
Miscellaneous	1,927	20,274	9,230	29,504	-	-	31,431
Depreciation and Amortization	43	18	9	27	-	-	70
Special Event - Direct Donor Benefits	-	-	-	-	20,146	-	20,146
Total Expenses by Function	1,730,534	214,482	175,041	389,523	20,146	-	2,140,203
Less: Expenses Netted Against Revenues on the Statement of Activities:							
Special Event Expenses	-	-	-	-	(20,146)	-	(20,146)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 1,730,534	\$ 214,482	\$ 175,041	\$ 389,523	\$ -	\$ -	\$ 2,120,057

See accompanying Notes to Financial Statements.

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 502,092	\$ 224,769
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation	269	70
Amortization of Right-of-Use Asset, Financing Lease	679	-
Net Realized and Unrealized (Gains) Losses on Investments	(45,717)	4,721
Change in Operating Right-of-Use Assets and Lease Liabilities	(90)	(90)
Increase (Decrease) in Assets:		
Contributions Receivable	(201,617)	(29,702)
Due from Related Entities	(13,809)	(516)
Prepaid Expenses	(10,801)	17,912
Other Assets	(20,582)	7,980
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	89,412	(13,160)
Due to Related Entities	(3,254)	12,682
Other Liabilities	918	669
Net Cash Provided by Operating Activities	297,500	225,335
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(10,033)	(108,878)
Proceeds from Sales of Investments	-	85,000
Purchases of Property and Equipment	(57)	(1,062)
Net Cash Used by Investing Activities	(10,090)	(24,940)
 CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Finance Lease Obligations	(805)	-
Net Cash Used by Financing Activities	(805)	-
 NET INCREASE IN CASH AND CASH EQUIVALENTS	286,605	200,395
Cash and Cash Equivalents - Beginning of Year	1,786,538	1,586,143
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,073,143	\$ 1,786,538
 SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid for Interest Expense	\$ 186	\$ -
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 77,000
Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities	\$ 12,258	\$ -

See accompanying Notes to Financial Statements.

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

NOTE 1 ORGANIZATION

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Cash and Cash Equivalents

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

Investments

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

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

Contributions Receivable

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

Leases

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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

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

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

Property and Equipment, Net

Property and equipment having a unit cost 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 6 years. 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.

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 NEW MEXICO
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 restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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 \$54,000 and \$20,000 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 \$63,170 and \$69,025, respectively.

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

MAKE-A-WISH FOUNDATION® OF NEW MEXICO
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	\$ 594,695	\$ 507,481
Professional Services	22,000	7,500
Advertising and Media	11,700	19,478
Special Events	19,374	240
Other	978	15,937
Total Contributed Nonfinancial Assets and Services	<u>\$ 648,747</u>	<u>\$ 550,636</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.

Professional services relate to investment consulting used for support services, and are valued and reported at the estimated fair value based on current rates for similar services.

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions: Donated Goods and Services (Continued)

Special event donated items are donated items recorded at fair value that are used in facilitating the event. Examples of such donated items are generally food, beverage, facility costs, and auction items. The Foundation estimates the fair value of these donated items based on the current market rates for similar items in the Foundation's market.

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

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and New Mexico income 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 the specific programs or fundraising activity, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment, and other expenses.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses (Continued)

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.

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.

	2024	2023
Total Financial Assets	\$ 2,847,212	\$ 2,289,431
Donor-Imposed Restrictions:		
Restricted Funds	(148,808)	(67,540)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 2,698,404	\$ 2,221,891

Financial assets include cash and cash equivalents, investments, due from related entities and contributions receivable. 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.

MAKE-A-WISH FOUNDATION® OF NEW MEXICO
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 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 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

Overall Investment Objective

The overall investment objective of the Foundation is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation. The Foundation diversifies its investments among various asset classes incorporating multiple strategies and managers. Major investment decisions are authorized by the board of directors, 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 at August 31:

	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
<u>August 31, 2024</u>					
Investments:					
Mutual Funds	\$ 434,109	\$ -	\$ -	\$ -	\$ 434,109
Cash	-	-	-	17,662	17,662
Total Investments	<u>\$ 434,109</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,662</u>	<u>\$ 451,771</u>
<u>August 31, 2023</u>					
Investments:					
Mutual Funds	\$ 388,392	\$ -	\$ -	\$ -	\$ 388,392
Cash	-	-	-	7,629	7,629
Total Investments	<u>\$ 388,392</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,629</u>	<u>\$ 396,021</u>

MAKE-A-WISH FOUNDATION® OF NEW MEXICO
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NOTE 5 CONTRIBUTIONS RECEIVABLE

The Foundation's contributions receivable as of August 31, 2024 and 2023 were \$269,113 and \$67,496, respectively. All contributions receivable are due within the next 12 months.

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 \$297,274 and \$292,711 from these national revenue streams.

As part of the National Organization's Wish Fulfillment Fund, chapters may apply for funds that have been donated by other chapters to underwrite the cost of wishes. Under this program, the Foundation received \$-0- and \$10,252 during the years ended August 31, 2024 and 2023, respectively.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amounts totaling \$224,408 and \$225,987 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 \$300 and \$450, 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	\$ 53,185	\$ 34,488
Due from Other Chapters	-	4,888
Total Due from Related Entities	\$ 53,185	\$ 39,376
Due to National Organization	\$ 6,742	\$ 4,528
Due to Other Chapters	17,645	23,113
Total Due to Related Entities	\$ 24,387	\$ 27,641

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NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

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 \$119,320 and \$99,358, respectively.

NOTE 7 PROPERTY AND EQUIPMENT, NET

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

	2024	2023
Computer Equipment and Software	\$ 1,063	\$ 1,063
Office Furniture and Other Equipment	-	822
Total	<u>1,063</u>	<u>1,885</u>
Less: Accumulated Depreciation and Amortization	<u>(283)</u>	<u>(893)</u>
Property and Equipment, Net	<u>\$ 780</u>	<u>\$ 992</u>

Depreciation expense totaled \$269 and \$70 for the years ended August 31, 2024 and 2023, respectively.

NOTE 8 LEASES

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

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NOTE 8 LEASES (CONTINUED)

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

	<u>1899</u>	<u>0</u>
Lease Cost:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets	#VALUE!	\$ -
Interest on Lease Liabilities	#VALUE!	-
Operating Lease Cost	<u>33,709</u>	<u>33,943</u>
Total Lease Cost	<u>#VALUE!</u>	<u>\$ 33,943</u>
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating Cash Flows from Operating Leases	\$ 32,933	\$ 34,033
Financing Cash Flows from Financing Leases	\$ 805	\$ -
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	\$ 12,258	\$ -
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 77,000
Weighted-Average Remaining Leases Term - Financing Leases	4.9 Years	N/A
Weighted-Average Remaining Leases Term - Operating Leases	0.4 Years	1.4 Years
Weighted-Average Discounted Rate - Financing Leases	4.79%	N/A
Weighted-Average Discounted Rate - Operating Leases	3.43%	3.43%

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	\$ 13,328	\$ 2,570
2026	-	2,570
2027	-	2,570
2028	-	2,570
2029	-	2,570
Total Lease Payments	<u>13,328</u>	<u>12,850</u>
Less: Imputed Interest	<u>(80)</u>	<u>(1,397)</u>
Present Value of Lease Liabilities	<u>\$ 13,248</u>	<u>\$ 11,453</u>

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NOTE 9 NET ASSETS

Net Assets With Donor Restrictions

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

	2024	2023
Subject to Expenditure for Specified Purpose:		
Wish Granting	\$ 148,808	\$ 67,540

NOTE 10 RETIREMENT PLAN

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of one year of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 4% of the employee’s salary. Foundation contributions to the Plan for the years ended August 31, 2024 and 2023 were \$17,631 and \$15,923, respectively.

NOTE 11 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.

For the year ended August 31, 2024 contributions totaling \$712,786 were received from two donors, which represents 26% of total raised revenue. For the year ended August 31, 2023 contributions totaling \$577,001 were received from two donors, which represents 26% of total raised revenue. Should these contribution levels decrease, the Foundation may be adversely affected.

For the years ended August 31, 2024 and 2023, two donors and one donor, respectively, represented 100% of the contributions receivable balance. Should these contribution levels decrease, the Foundation may be adversely affected.

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NOTE 12 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 109 and 108 wishes, respectively. As of both August 31, 2024 and 2023, there were approximately 120 and 150 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2024 was \$7,651 in cash and \$4,598 in in-kind for a total cost of \$12,249. The average cost of a wish for the year ended August 31, 2023 was \$7,523 in cash and \$4,486 in in-kind for a total cost of \$12,009.

NOTE 13 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 and 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 104. The number of wishes granted during the years ended August 31, 2024 and 2023 was 109 and 108, respectively.

NOTE 14 EMPLOYEE RETENTION CREDIT

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. During the years ended August 31, 2024 and 2023 the Foundation applied for Employee Retention Credit (ERC) grant funding from the Internal Revenue Service (IRS). The Foundation recognized \$120,349 and \$69,877, respectively, of grant revenue related to performance requirements being met in compliance with the program during the years ended August 31, 2024 and 2023.

Eligibility and conditions for the ERC program may be audited by the IRS. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; management is of the opinion that any audit will not have a material adverse impact on the Foundation's financial position.

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NOTE 15 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statements of financial position date through January 16, 2025, the date at which the financial statements were available to be issued.



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