

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



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

Board of Directors
Make-A-Wish Foundation® of Wisconsin
Wauwatosa, Wisconsin

Report on the Audit of the Financial Statements

Opinion

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

Minneapolis, Minnesota
January 9, 2025

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

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 713,835	\$ 1,344,679
Investments	5,154,399	5,681,730
Due from Related Entities	175,317	126,481
Prepaid Expenses	439,113	398,943
Contributions Receivable, Net	632,957	998,110
Other Assets	79,268	77,003
Investments Held for Long-Term Purposes	13,941,120	12,458,602
Right-of-Use Assets - Operating	730,215	818,587
Property and Equipment, Net	225,214	294,288
Beneficial Interest in Assets Held by Others	195,031	173,722
	\$ 22,286,469	\$ 22,372,145
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 711,213	\$ 787,928
Due to Related Entities	148,640	100,554
Other Liabilities	430,749	54,040
Lease Liability - Operating	931,678	1,034,372
Total Liabilities	2,222,280	1,976,894
NET ASSETS		
Without Donor Restrictions	18,341,913	18,509,402
With Donor Restrictions	1,722,276	1,885,849
Total Net Assets	20,064,189	20,395,251
Total Liabilities and Net Assets	\$ 22,286,469	\$ 22,372,145

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 5,650,949	\$ 181,513	\$ 5,832,462
Contributions, Donated Goods and Services	2,019,891	354,357	2,374,248
Grants	400,650	-	400,650
Total Public Support	8,071,490	535,870	8,607,360
Internal Special Events	2,585,619	-	2,585,619
Internal Special Events, Donated Goods and Services	130,899	-	130,899
Less: Costs of Direct Benefits to Donors	(574,180)	-	(574,180)
Total Internal Special Events	2,142,338	-	2,142,338
Investment Income, Net	2,973,974	28,787	3,002,761
Other Income	10,583	-	10,583
Net Assets Released from Restrictions	728,230	(728,230)	-
Total Revenues, Gains, and Other Support	13,926,615	(163,573)	13,763,042
EXPENSES			
Program Services:			
Wish Granting	11,152,929	-	11,152,929
Support Services:			
Fundraising	1,908,056	-	1,908,056
Management and General	1,033,119	-	1,033,119
Total Support Services	2,941,175	-	2,941,175
Total Expenses	14,094,104	-	14,094,104
CHANGE IN NET ASSETS	(167,489)	(163,573)	(331,062)
Net Assets - Beginning of Year	18,509,402	1,885,849	20,395,251
NET ASSETS - END OF YEAR	\$ 18,341,913	\$ 1,722,276	\$ 20,064,189

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 5,413,183	\$ -	\$ 5,413,183
Contributions, Donated Goods and Services	1,829,700	392,162	2,221,862
Grants	463,183	-	463,183
Total Public Support	7,706,066	392,162	8,098,228
Internal Special Events	2,771,253	-	2,771,253
Internal Special Events, Donated Goods and Services	200,548	-	200,548
Less: Costs of Direct Benefits to Donors	(557,524)	-	(557,524)
Total Internal Special Events	2,414,277	-	2,414,277
Investment Income, Net	1,174,923	11,690	1,186,613
Other Income	5,841	-	5,841
Net Assets Released from Restrictions	676,662	(676,662)	-
	11,977,769	(272,810)	11,704,959
EXPENSES			
Program Services:			
Wish Granting	7,509,025	-	7,509,025
Support Services:			
Fundraising	1,675,544	-	1,675,544
Management and General	1,147,189	-	1,147,189
Total Support Services	2,822,733	-	2,822,733
Total Expenses	10,331,758	-	10,331,758
CHANGE IN NET ASSETS	1,646,011	(272,810)	1,373,201
Net Assets - Beginning of Year	16,863,391	2,158,659	19,022,050
NET ASSETS - END OF YEAR	\$ 18,509,402	\$ 1,885,849	\$ 20,395,251

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF WISCONSIN
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	\$ 6,459,486	\$ -	\$ -	\$ -	\$ -	\$ 6,459,486
Salaries, Taxes, and Benefits	1,180,739	1,140,505	610,717	1,751,222	-	2,931,961
Printing, Subscriptions, and Publications	34,349	125,205	16,513	141,718	-	176,067
Professional Fees	6,025	37,848	137,089	174,937	-	180,962
Rent and Utilities	95,195	90,552	50,064	140,616	-	235,811
Postage and Delivery	20,079	35,452	37,407	72,859	-	92,938
Travel	3,236	14,459	4,548	19,007	-	22,243
Meetings and Conferences	8,182	45,257	12,038	57,295	-	65,477
Office Supplies	88,231	24,317	10,076	34,393	-	122,624
Communications	17,563	16,706	12,683	29,389	-	46,952
Advertising and Media (Cash)	-	9,206	-	9,206	-	9,206
Advertising and Media (In-Kind)	-	7,500	-	7,500	-	7,500
Repairs and Maintenance	2,720	2,319	4,884	7,203	-	9,923
Insurance	-	250	-	250	-	250
Bad Debt Expense	-	56,225	-	56,225	-	56,225
Membership Dues	2,255	5,464	6,626	12,090	-	14,345
Grants and Scholarships	2,500,040	-	-	-	-	2,500,040
National Partnership Dues	571,645	163,516	81,475	244,991	-	816,636
Miscellaneous	122,306	94,391	29,059	123,450	-	245,756
Depreciation	40,878	38,884	19,940	58,824	-	99,702
Special Event - Direct Donor Benefits	-	-	-	-	574,180	574,180
Total Expenses by Function	11,152,929	1,908,056	1,033,119	2,941,175	574,180	14,668,284
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(574,180)	(574,180)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 11,152,929	\$ 1,908,056	\$ 1,033,119	\$ 2,941,175	\$ -	\$ 14,094,104

See accompanying Notes to Financial Statements.

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

	Program Services		Support Services		Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services		
Direct Costs of Wishes	\$ 5,307,736	\$ -	\$ -	\$ -	\$ -	\$ 5,307,736
Salaries, Taxes, and Benefits	881,370	1,043,293	733,213	1,776,506	-	2,657,876
Printing, Subscriptions, and Publications	40,290	116,608	18,511	135,119	-	175,409
Professional Fees	9,295	35,944	119,923	155,867	-	165,162
Rent and Utilities	92,073	87,870	46,717	134,587	-	226,660
Postage and Delivery	20,975	38,598	16,716	55,314	-	76,289
Travel	1,916	9,482	31,794	41,276	-	43,192
Meetings and Conferences	16,862	41,505	28,421	69,926	-	86,788
Office Supplies	82,895	16,685	3,914	20,599	-	103,494
Communications	18,054	17,173	8,807	25,980	-	44,034
Advertising and Media (Cash)	-	11,080	-	11,080	-	11,080
Advertising and Media (In-Kind)	-	5,000	-	5,000	-	5,000
Repairs and Maintenance	3,812	2,485	1,608	4,093	-	7,905
Bad Debt Expense	-	20,500	-	20,500	-	20,500
Membership Dues	2,777	5,213	2,530	7,743	-	10,520
Grants and Scholarships	500,000	-	-	-	-	500,000
National Partnership Dues	482,711	116,376	95,494	211,870	-	694,581
Miscellaneous	17,094	78,270	24,348	102,618	-	119,712
Depreciation	31,165	29,462	15,193	44,655	-	75,820
Special Event - Direct Donor Benefits	-	-	-	-	557,524	557,524
Total Expenses by Function	<u>7,509,025</u>	<u>1,675,544</u>	<u>1,147,189</u>	<u>2,822,733</u>	<u>557,524</u>	<u>10,889,282</u>
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(557,524)</u>	<u>(557,524)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 7,509,025</u>	<u>\$ 1,675,544</u>	<u>\$ 1,147,189</u>	<u>\$ 2,822,733</u>	<u>\$ -</u>	<u>\$ 10,331,758</u>

See accompanying Notes to Financial Statements.

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

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (331,062)	\$ 1,373,201
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Depreciation	99,702	75,820
Net Realized and Unrealized (Gains) Losses on Investments	(2,545,766)	(862,577)
Loss on Sale of Property and Equipment	-	159
Change in Value of Beneficial Interest in Assets Held by Others	(21,309)	(4,032)
Change in Discount to Present Value of Contributions Receivable	(10,077)	(15,447)
Change in Operating Right-of-Use Assets and Lease Liabilities	(14,322)	(11,083)
(Increase) Decrease in Assets:		
Contributions Receivable	375,230	260,357
Due from Related Entities	(48,836)	31,793
Prepaid Expenses	(40,170)	(22,340)
Other Assets	(2,265)	16,571
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(76,715)	296,040
Due to Related Entities	48,086	45,204
Other Liabilities	376,709	(7,020)
Net Cash Provided (Used) by Operating Activities	(2,190,795)	1,176,646
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(828,985)	(2,531,241)
Proceeds from Sales of Investments	2,419,564	1,735,325
Purchases of Property and Equipment	(30,628)	(40,406)
Net Cash Provided (Used) by Investing Activities	1,559,951	(836,322)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(630,844)	340,324
Cash and Cash Equivalents - Beginning of Year	1,344,679	1,004,355
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 713,835	\$ 1,344,679

See accompanying Notes to Financial Statements.

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

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Wisconsin (the Foundation) is a Wisconsin 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 (the National Organization), which develops and implements national programs in public relations and fundraising for the benefit of all local chapters. In addition, 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.

Investments

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

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

Contributions Receivable

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

Leases

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

MAKE-A-WISH FOUNDATION® OF WISCONSIN
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 \$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 three to five years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the lease. 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 WISCONSIN
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

Fair value measurements of financial assets and financial liabilities and fair value measurements of nonfinancial items are recognized or disclosed at fair value in the financial statements on a recurring basis. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Foundation utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible. The Foundation determines fair value based on assumptions that market participants would use in pricing an asset or liability in the principal or most advantageous market. When considering market participant assumptions in fair value measurements, the following fair value hierarchy distinguishes between observable and unobservable inputs, which are categorized in one of the following levels:

Level 1 – Unadjusted quoted prices in active markets for identical assets (or liabilities) that the reporting entity has the ability to access at the measurement date.

Level 2 – Prices for a similar asset (or liability), other than quoted prices included in Level 1 inputs, that are observable for the asset (or liability), either directly or indirectly. If the asset (or liability) has a specified term, a Level 2 input must be observable for substantially the full term of the asset (or liability).

Level 3 – Unobservable inputs for the asset (or liability) used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset (or liability) at measurement date.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor- or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

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

Revenue Recognition

Revenue is recognized on the accrual basis and generally consists of contributions, special 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 \$574,180 and \$557,524 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 \$424,176 and \$431,299, respectively.

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. The Foundation did not have any conditional promises outstanding for the years ended August 31, 2024 and 2023, respectively.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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

Contributions: Donated Goods and Services

The Foundation received in-kind contributions of assets, services, and materials that are reported in the statements of activities as follows:

	<u>2024</u>	<u>2023</u>
Wish Related Travel, Goods, and Services	\$ 2,280,851	\$ 2,050,348
Contributed Office Space	27,760	37,960
Advertising and Media	7,500	6,120
Special Events	130,899	200,548
Other	58,137	127,434
Total	<u>\$ 2,505,147</u>	<u>\$ 2,422,410</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.

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

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

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and Wisconsin taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Chapter 181 of the Wisconsin Revenue and Taxation Code. However, the Foundation remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

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 single program or fundraising activity, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment, and other expenses.

Expenses that benefit more than one function of the Foundation are allocated among the functions based generally on the amount of time spent by employees on each function.

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.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 months to 24 months of liquidity is considered excellent based off the enterprise-wide published scale.

	<u>2024</u>	<u>2023</u>
Total Financial Assets	\$ 20,617,628	\$ 20,609,602
Donor-Imposed Restrictions:		
Restricted Funds	(1,527,245)	(1,712,127)
Endowments	<u>(195,031)</u>	<u>(173,722)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 18,895,352</u>	<u>\$ 18,723,753</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. 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.

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.

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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.

Investments

Overall Investment Objective

The overall investment objective of the Foundation is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation. The Foundation diversifies its investments among various asset classes 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 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>					
Assets					
Investments:					
Exchange-Traded Funds	\$ 12,018,431	\$ -	\$ -	\$ -	\$ 12,018,431
Equity Securities	2,424,164	-	-	-	2,424,164
Government Securities	-	78,201	-	-	78,201
Debt Securities	4,452,901	-	-	-	4,452,901
Cash	-	-	-	121,822	121,822
Total Investments	<u>18,895,496</u>	<u>78,201</u>	<u>-</u>	<u>121,822</u>	<u>19,095,519</u>
Beneficial Interest in Assets Held by Others	-	-	195,031	-	195,031
Total Assets	<u>\$ 18,895,496</u>	<u>\$ 78,201</u>	<u>\$ 195,031</u>	<u>\$ 121,822</u>	<u>\$ 19,290,550</u>
	Level 1	Level 2	Level 3	Assets not Held at Fair Value	Total
<u>August 31, 2023</u>					
Assets					
Investments:					
Exchange-Traded Funds	\$ 10,927,162	\$ -	\$ -	\$ -	\$ 10,927,162
Equity Securities	2,027,990	-	-	-	2,027,990
Debt Securities	5,088,180	-	-	-	5,088,180
Cash	-	-	-	97,000	97,000
Total Investments	<u>18,043,332</u>	<u>-</u>	<u>-</u>	<u>97,000</u>	<u>18,140,332</u>
Beneficial Interest in Assets Held by Others	-	-	173,722	-	173,722
Total Assets	<u>\$ 18,043,332</u>	<u>\$ -</u>	<u>\$ 173,722</u>	<u>\$ 97,000</u>	<u>\$ 18,314,054</u>

For the valuation of beneficial interest in assets held by others, the Foundation used significant unobservable inputs (Level 3).

Purchases, sales, transfers in and transfers out of Level 3 investments consist of the following for the years ended August 31:

	<u>2024</u>	<u>2023</u>
Sales	\$ (7,479)	\$ (7,658)

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

The following table describes the valuation techniques used to calculate fair value for assets in Level 3. There were no changes in valuation techniques and related inputs from the prior year.

Quantitative Information About Level 3 Fair Value Measurements			
Type of Assets	Fair Value at August 31, 2024	Principal Valuation Technique	Unobservable Inputs
Beneficial Interests in Assets Held by Others	\$ 195,031	FMV of Assets	Value of Underlying Assets
Type of Assets	Fair Value at August 31, 2023	Principal Valuation Technique	Unobservable Inputs
Beneficial Interests in Assets Held by Others	\$ 173,722	FMV of Assets	Value of Underlying Assets

Beneficial Interest in Assets Held by Others

As of August 31, 2024 and 2023, the Foundation had a beneficial interest in assets held by others of \$195,031 and \$173,722, respectively. This interest consists of a fund contributed to the Wishes Forever Endowment Fund at the National Office. An endowment agreement has been signed between the chapter and National Office. Distributions from the National Office are made in accordance with the spending policies adopted by the National Office. The National Office has variance power as it relates to these assets. The beneficial interest in assets held by others consists of funds contributed and the earnings thereon, net of distributions received, and is classified as net assets with donor restrictions in the statements of financial position.

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at rates of 4.20% at August 31, 2023. No discount is recorded at August 31, 2024 as all contributions receivable are due within twelve months.

The following is a summary of the Foundation's contributions receivable at August 31:

	2024	2023
Total Amounts Due in:		
Within One Year	\$ 632,957	\$ 758,187
One to Five Years	-	250,000
Contributions Receivable, Net	632,957	1,008,187
Less: Discount to Present Value	-	(10,077)
Contributions Receivable, Net	\$ 632,957	\$ 998,110

Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at August 31, 2024 and 2023.

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NOTE 6 TRANSACTIONS WITH RELATED ENTITIES

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants and other miscellaneous revenues. During the years ended August 31, 2024 and 2023, respectively, the Foundation received \$1,420,566 and \$1,585,885 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 contributed \$2,500,040 and \$500,000 during the years ended August 31, 2024 and 2023, respectively.

Conversely, the Foundation pays amounts to the National Organization for annual dues, insurance, and other miscellaneous ancillary expenses that Make-A-Wish Foundation® of America pays on behalf of the Foundation and for services provided by the National Organization. Amounts totaling \$683,451 and \$811,864 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 \$5,250 and \$6,000 for the years ended August 31, 2024 and 2023, respectively, 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	\$ 159,563	\$ 111,537
Due from Other Chapters	15,754	14,944
Total Due from Related Entities	<u>\$ 175,317</u>	<u>\$ 126,481</u>
Due to National Organization	\$ 16,989	\$ 9,111
Due to Other Chapters	131,651	91,443
Total Due to Related Entities	<u>\$ 148,640</u>	<u>\$ 100,554</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.

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NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

During the years ended August 31, 2024 and 2023, the Foundation received contributions from board members totaling \$88,243 and \$71,347, respectively.

NOTE 7 PROPERTY AND EQUIPMENT, NET

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

	2024	2023
Computer Equipment and Software	\$ 101,815	\$ 114,179
Office Furniture	288,912	286,997
Leasehold Improvements	773,216	773,216
Total	1,163,943	1,174,392
Less: Accumulated Depreciation and Amortization	(938,729)	(880,104)
Property and Equipment, Net	\$ 225,214	\$ 294,288

Depreciation and amortization expense totaled \$99,702 and \$75,820, respectively, for the years ended August 31, 2024 and 2023, respectively.

NOTE 8 LEASES

Lease Agreements - ASC 842

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

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

	2024	2023
Lease Cost:		
Operating lease cost	\$ 119,633	\$ 119,633
Other information:		
Cash Paid for amounts included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Operating Leases	\$ 133,954	\$ 130,716
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 903,775
Weighted Average Remaining Lease Term - Operating Leases	7.0 Years	8.0 Years
Weighted-Average Discount Rate - Operating Leases	3.20%	3.20%

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

NOTE 8 LEASES (CONTINUED)

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

<u>Year Ending August 31</u>	<u>Operating Leases</u>
2025	\$ 137,274
2026	140,676
2027	143,085
2028	146,562
2029	150,226
Thereafter	<u>325,156</u>
Total Lease Payments	1,042,979
Less: Imputed Interest	(111,301)
Present Value of Lease Liabilities	<u>\$ 931,678</u>

NOTE 9 NET ASSETS

Net Assets With Donor Restrictions

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

	<u>2024</u>	<u>2023</u>
Subject to Expenditure for Specified Purpose:		
Wish Granting	\$ 1,045,733	\$ 1,094,737
Total	<u>1,045,733</u>	<u>1,094,737</u>
Subject to Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	249,999	567,390
Total	<u>249,999</u>	<u>567,390</u>
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	45,031	23,722
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
Helen Blenker Endowment Fund	150,000	150,000
Total	<u>195,031</u>	<u>173,722</u>
Other Contributions Restricted in Perpetuity	231,513	50,000
Total Donor-Restricted Net Assets	<u>\$ 1,722,276</u>	<u>\$ 1,885,849</u>

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NOTE 10 RETIREMENT PLAN

The Foundation has a defined board-designated Simplified Employee Pension retirement plan (the Plan). Under the provisions of the Plan, eligible employees receive a distribution at the end of the fiscal year based on board vote, between 0% and 15% of the employee's gross salary. Foundation contributions to the Plan for the years ended August 31, 2024 and 2023 were \$314,939 and \$290,914, respectively.

NOTE 11 CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash, cash equivalents, and investments. The Foundation places its cash and investments with high credit quality financial institutions and generally limits the amount of credit exposure not to exceed the Federal Deposit Insurance Corporation (FDIC) insurance coverage limit of \$250,000. From time to time throughout the year, the Foundation's cash balances may exceed the amount of the FDIC insurance coverage.

There were no significant concentrations in the years ended August 31, 2024 and 2023.

NOTE 12 LITIGATION AND CLAIMS

The Foundation is periodically involved in litigation and claims arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Foundation's financial position, change in net assets, or liquidity.

NOTE 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 451 and 382 wishes, respectively. As of August 31, 2024 and 2023, respectively, there were approximately 435 and 516 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2024 was \$9,322 in cash and \$4,940 in in-kind for a total cost of \$14,262. The average cost of a wish for the year ended August 31, 2023 was \$8,456 in cash and \$5,342 in in-kind for a total cost of \$13,798.

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.

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NOTE 14 RISKS AND UNCERTAINTIES (CONTINUED)

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 77% of wishes granted and the number of granted wishes averaged approximately 399. The number of wishes granted during the years ended August 31, 2024 and 2023 was 451 and 382, respectively.

NOTE 15 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through January 9, 2025, the date at which the financial statements were available to be issued.



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