

**MAKE-A-WISH FOUNDATION® OF
SOUTH CAROLINA, INC.**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2024 AND 2023



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YEARS ENDED AUGUST 31, 2024 AND 2023**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of South Carolina, Inc.
Greenville, South Carolina

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Make-A-Wish Foundation® of South Carolina, Inc. (a nonprofit organization) (the Foundation), 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 South Carolina, Inc. 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 South Carolina, Inc. 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 South Carolina, Inc.'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 South Carolina, Inc.'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 South Carolina, Inc.'s ability to continue as a going concern for a reasonable period of time.

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



CliftonLarsonAllen LLP

Lakeland, Florida
December 11, 2024

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 3,555,043	\$ 3,187,453
Due from Related Entities	137,168	140,552
Prepaid Expenses	143,318	114,055
Contributions Receivable, Net	371,942	515,361
Other Assets	47,739	42,085
Right-of-Use Assets - Operating	-	47,550
Property and Equipment, Net	22,021	20,061
Total Assets	\$ 4,277,231	\$ 4,067,117
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 306,872	\$ 269,966
Due to Related Entities	65,203	59,031
Lease Liability - Operating	-	55,894
Total Liabilities	372,075	384,891
NET ASSETS		
Without Donor Restrictions	3,536,815	3,194,975
With Donor Restrictions	368,341	487,251
Total Net Assets	3,905,156	3,682,226
Total Liabilities and Net Assets	\$ 4,277,231	\$ 4,067,117

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 2,368,966	\$ -	\$ 2,368,966
Contributions, Donated Goods and Services	731,433	368,341	1,099,774
Grants	123,393	-	123,393
Total Public Support	3,223,792	368,341	3,592,133
Internal Special Events, Cash	1,686,180	-	1,686,180
Internal Special Events, Donated Goods and Services	29,350	-	29,350
Less Costs of Direct Benefits to Donors	(252,447)	-	(252,447)
Total Internal Special Events	1,463,083	-	1,463,083
Investment Income, Net	126,950	-	126,950
Other Income	8,750	-	8,750
Net Assets Released from Restrictions	487,251	(487,251)	-
Total Revenues, Gains, and Other Support	5,309,826	(118,910)	5,190,916
EXPENSES			
Program Services:			
Wish Granting	3,485,860	-	3,485,860
Total Program Services	3,485,860	-	3,485,860
Support Services:			
Fundraising	1,078,795	-	1,078,795
Management and General	401,432	-	401,432
Total Support Services	1,480,227	-	1,480,227
Total Expenses	4,966,087	-	4,966,087
OTHER (GAINS) LOSSES			
(Gains) Losses on Sale of Equipment	(1,899)	-	(1,899)
Total Other (Gains) Losses	(1,899)	-	(1,899)
CHANGE IN NET ASSETS	341,840	(118,910)	222,930
Net Assets - Beginning of Year	3,194,975	487,251	3,682,226
NET ASSETS - END OF YEAR	\$ 3,536,815	\$ 368,341	\$ 3,905,156

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 2,066,733	\$ -	\$ 2,066,733
Contributions, Donated Goods and Services	826,235	487,251	1,313,486
Grants	70,242	-	70,242
Total Public Support	2,963,210	487,251	3,450,461
Internal Special Events, Cash	1,511,048	-	1,511,048
Internal Special Events, Donated Goods and Services	113,710	-	113,710
Less Costs of Direct Benefits to Donors	(301,441)	-	(301,441)
Total Internal Special Events	1,323,317	-	1,323,317
Investment Income, Net	40,989	-	40,989
Other Income	6,799	-	6,799
Net Assets Released from Restrictions	520,736	(520,736)	-
Total Revenues, Gains, and Other Support	4,855,051	(33,485)	4,821,566
EXPENSES			
Program Services:			
Wish Granting	3,819,571	-	3,819,571
Total Program Services	3,819,571	-	3,819,571
Support Services:			
Fundraising	1,055,498	-	1,055,498
Management and General	373,195	-	373,195
Total Support Services	1,428,693	-	1,428,693
Total Expenses	5,248,264	-	5,248,264
CHANGE IN NET ASSETS	(393,213)	(33,485)	(426,698)
Net Assets - Beginning of Year	3,588,188	520,736	4,108,924
NET ASSETS - END OF YEAR	\$ 3,194,975	\$ 487,251	\$ 3,682,226

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
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	\$ 2,521,290	\$ -	\$ -	\$ -	\$ -	2,521,290
Salaries, Taxes, and Benefits	642,173	696,463	212,675	909,138	-	1,551,311
Printing, Subscriptions, and Publications	8,594	40,930	3,931	44,861	-	53,455
Professional Fees	5,172	9,667	64,430	74,097	-	79,269
Rent and Utilities	22,525	24,430	7,454	31,884	-	54,409
Postage and Delivery	7,175	5,087	698	5,785	-	12,960
Travel	2,898	37,439	4,909	42,348	-	45,246
Meetings and Conferences	7,013	70,085	19,602	89,687	-	96,700
Office Supplies	23,297	5,016	1,850	6,866	-	30,163
Communications	6,441	6,985	2,131	9,116	-	15,557
Advertising and Media (Cash)	-	24,439	119	24,558	-	24,558
Advertising and Media (In-Kind)	-	1,500	-	1,500	-	1,500
Bad Debt Expense	-	13,779	-	13,779	-	13,779
Membership Dues	577	4,147	3,690	7,837	-	8,414
National Partnership Dues	225,017	51,432	45,003	96,435	-	321,452
Miscellaneous	9,196	82,524	33,454	115,978	-	125,174
Depreciation	4,492	4,872	1,486	6,358	-	10,850
Special Event - Direct Donor Benefits	-	-	-	-	252,447	252,447
Total Expenses by Function	3,485,860	1,078,795	401,432	1,480,227	252,447	5,218,534
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(252,447)	(252,447)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 3,485,860	\$ 1,078,795	\$ 401,432	\$ 1,480,227	\$ -	\$ 4,966,087

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
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	\$ 2,861,291	\$ -	\$ -	\$ -	\$ -	\$ 2,861,291
Salaries, Taxes, and Benefits	592,677	642,783	197,778	840,561	-	1,433,238
Printing, Subscriptions, and Publications	7,073	44,871	6,025	50,896	-	57,969
Professional Fees	299	55	63,767	63,822	-	64,121
Rent and Utilities	22,850	24,782	7,561	32,343	-	55,193
Postage and Delivery	5,752	5,014	620	5,634	-	11,386
Travel	2,627	33,009	1,378	34,387	-	37,014
Meetings and Conferences	30,385	70,115	13,866	83,981	-	114,366
Office Supplies	8,293	5,170	2,162	7,332	-	15,625
Communications	5,683	6,163	1,881	8,044	-	13,727
Advertising and Media (Cash)	-	14,103	720	14,823	-	14,823
Advertising and Media (In-Kind)	-	59,500	-	59,500	-	59,500
Membership Dues	311	3,557	3,555	7,112	-	7,423
National Partnership Dues	262,368	59,970	52,474	112,444	-	374,812
Miscellaneous	11,119	76,815	18,482	95,297	-	106,416
Depreciation	8,843	9,591	2,926	12,517	-	21,360
Special Event - Direct Donor Benefits	-	-	-	-	301,441	301,441
Total Expenses by Function	<u>3,819,571</u>	<u>1,055,498</u>	<u>373,195</u>	<u>1,428,693</u>	<u>301,441</u>	<u>5,549,705</u>
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(301,441)</u>	<u>(301,441)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 3,819,571</u>	<u>\$ 1,055,498</u>	<u>\$ 373,195</u>	<u>\$ 1,428,693</u>	<u>\$ -</u>	<u>\$ 5,248,264</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 222,930	\$ (426,698)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	10,850	21,360
(Gain) Loss on Sale of Property and Equipment	1,899	-
Contributed Property and Equipment and Inventory	-	(11,725)
Change in Operating Right-of-Use Assets and Lease Liabilities	(8,344)	8,344
(Increase) Decrease in Assets:		
Contributions Receivable	143,419	5,375
Due from Related Entities	3,384	(36,681)
Prepaid Expenses	(29,263)	92,112
Other Assets	(5,654)	3,323
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	36,906	(27,227)
Due to Related Entities	6,172	5,452
Other Liabilities	-	(18,860)
Deferred Rent	-	(16,688)
Net Cash Provided (Used) by Operating Activities	382,299	(401,913)
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(14,709)	(4,788)
 NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	367,590	(406,701)
 Cash and Cash Equivalents - Beginning of Year	3,187,453	3,594,154
 CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 3,555,043	\$ 3,187,453
 SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION		
Right-of-Use Assets Obtained in Exchange for		
New Operating Lease Liabilities	\$ -	\$ 93,233
Contributed Property and Inventory	\$ -	\$ (11,725)

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of South Carolina, Inc. (the Foundation) is a South Carolina 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.

Contributions Receivable

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

Leases

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

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.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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 non-lease components from lease components and instead accounts for each separate lease component and the non-lease component as a single lease component.

Property and Equipment, Net

Property and equipment having a unit cost of 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 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.

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 SOUTH CAROLINA, INC.
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 \$252,447 and \$301,441 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 \$126,011 and \$149,396, respectively.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
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	\$ 1,074,258	\$ 1,287,675
Advertising and Media	1,500	59,500
Special Events	29,350	39,264
Property and Equipment	-	1,200
Other	<u>24,016</u>	<u>39,557</u>
Total Contributed Nonfinancial Assets and Services	<u>\$ 1,129,124</u>	<u>\$ 1,427,196</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.

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 SOUTH CAROLINA, INC.
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.

Property and equipment items donated consist of furniture and were valued using fair market value at a time they were donated as they were provided by the donor.

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 taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Section 33-56-60 of the South Carolina Solicitation of Charitable Funds. 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.

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses

The Foundation performs three functions: wish granting, fundraising, and management and general. Definitions of these functions are as follows:

Wish Granting

Activities performed by the Foundation in granting wishes to children with critical illnesses.

Fundraising

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations.

Management and General

All costs not identifiable with a specific programs or fundraising activities, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment, and other expenses.

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

Management Estimates

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

Adoption of Accounting Pronouncement

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

MAKE-A-WISH FOUNDATION® OF SOUTH CAROLINA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 3 LIQUIDITY AND AVAILABILITY

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

	2024	2023
Total Financial Assets	\$ 4,064,153	\$ 3,843,366
Donor-Imposed Restrictions:		
Restricted Funds	(368,341)	(487,251)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 3,695,812	\$ 3,356,115

Financial assets include cash and cash equivalents, 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.

NOTE 4 CONTRIBUTIONS RECEIVABLE

The Foundation's contributions receivable as of August 31, 2024 and 2023 were \$371,942 and \$515,361, respectively, which are due from one and ten donors, 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.

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NOTE 5 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 \$843,330 and \$670,159 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 \$33,372 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 \$415,156 and \$470,846 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 \$8,750 and \$6,800, respectively, for the years ended August 31, 2024 and 2023, which is recorded in the accompanying statements of activities as other income.

Amounts due from and to related entities are as follows at August 31:

	2024	2023
Due from National Organization	\$ 133,557	\$ 85,101
Due from National Organization - Wish Fulfillment Fund	-	15,000
Due from Other Chapters	1,961	33,351
Due from Other Chapters - Wish Assist Fee	1,650	7,100
Total Due from Related Entities	\$ 137,168	\$ 140,552
Due to National Organization	\$ 15,519	\$ 5,975
Due to Other Chapters	49,684	53,056
Total Due to Related Entities	\$ 65,203	\$ 59,031

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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NOTE 5 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

During the years ended August 31, 2024 and 2023, the Foundation received contributions, both cash and in-kind, from board members totaling \$137,249 and \$127,549, respectively. Amounts paid to related parties for goods and services used in the Foundation's operations totaled \$38,657 and \$88,365 for the years ended August 31, 2024 and 2023, respectively.

NOTE 6 PROPERTY AND EQUIPMENT, NET

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

	2024	2023
Computer Equipment and Software	\$ 33,823	\$ 67,497
Other Equipment	34,127	36,449
Leasehold Improvements	98,260	98,260
Total	166,210	202,206
Less: Accumulated Depreciation and Amortization	(144,189)	(182,145)
Property and Equipment, Net	<u>\$ 22,021</u>	<u>\$ 20,061</u>

Depreciation expense totaled \$10,850 and \$21,360, respectively, for the years ended August 31, 2024 and 2023.

NOTE 7 LEASES

The Foundation leases office facilities for under a long-term, noncancelable lease agreement. The lease expired in 2024. The office facilities lease was renewed for a one year period, therefore not recorded in the financial statements.

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

	2024	2023
Lease Cost:		
Operating Lease Cost	48,423	48,423
Total Lease Cost	<u>\$ 48,423</u>	<u>\$ 48,423</u>

Other Information:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating Cash Flows from Operating Leases	56,768	56,768
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	-	93,233
Weighted-Average Remaining Lease Term - Operating Leases	-	1
Weighted-Average Discount Rate - Operating Leases	-	3.4%

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NOTE 8 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:		
Unconditional Promise to Give	\$ 368,341	\$ 487,251
Total	\$ 368,341	\$ 487,251

NOTE 9 RETIREMENT PLAN

Prior to September 1, 2023, the Foundation offered a Simplified Employee Pension Plan (the Plan) to its Employees. Employees were eligible for participation in the Plan upon completion of two years of service. Under the provisions of the Plan, the Foundation contributed 5% of each eligible employee’s salary. Foundation contributions to the Plan for the year ended August 31, 2023 was \$48,620.

The Foundation has established a 401k profit sharing plan (Profit Sharing Plan) effective September 1, 2023. Employees are eligible for participation in the Profit Sharing Plan upon completion of one year of service. The Plan allows for employee elective deferrals and employer matching contributions. The Foundation’s contributions to the Profit Sharing Plan for the year ended August 31, 2024 were \$59,676.

NOTE 10 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.

Contributions totaling \$830,128 were received from a single donor for the year ended August 31, 2024, which represents 16% of raised revenue which consists of total public support and gross internal special event revenue. Should these contribution levels decrease, the Foundation may be adversely affected. Contributions totaling \$799,495 were received from a single donor for the year ended August 31, 2024, which represents 15% of raised revenue which consists of total public support and gross internal special event revenue.

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NOTE 11 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 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 237 and 255 wishes, respectively. As of August 31, 2024 and 2023, respectively, there were approximately 389 and 403 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2024 was \$5,672 in cash and \$5,022 in in-kind for a total cost of \$10,695. The average cost of a wish for the year ended August 31, 2023 was \$6,040 in cash and \$5,208 in in-kind for a total cost of \$11,245.

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 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 78% of wishes granted and the number of granted wishes averaged approximately 200. The number of wishes during the years ended August 31, 2024 and 2023 was 237 and 255, respectively.

NOTE 14 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through December 11, 2024, the date at which the financial statements were available to be issued.



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