

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2024 AND 2023



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**MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Ohio, Kentucky & Indiana
Columbus, Ohio

Report on the Audit of the Financial Statements

Opinion

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

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



CliftonLarsonAllen LLP

Oak Brook, Illinois
February 10, 2025

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2024 AND 2023

	2024	2023
ASSETS		
Cash and Cash Equivalents	\$ 2,402,520	\$ 2,041,813
Due from Related Entities	640,015	381,005
Prepaid Expenses	846,767	611,981
Contributions Receivable, Net	5,345,468	3,989,404
Other Assets	87,887	163,705
Split-Interest Agreements	152,445	134,417
Right-of-Use Assets - Operating	1,317,429	1,578,012
Right-of-Use Assets - Financing	70,298	89,489
Investments Held for Long-Term Purposes	6,742,323	6,167,672
Property and Equipment, Net	139,061	125,545
Beneficial Interest in Assets Held by Others	485,713	430,265
	<u>\$ 18,229,926</u>	<u>\$ 15,713,308</u>
Total Assets	<u>\$ 18,229,926</u>	<u>\$ 15,713,308</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 644,567	\$ 677,397
Due to Related Entities	148,195	168,275
Other Liabilities	44,893	64,942
Lease Liability - Operating	1,362,497	1,624,999
Lease Liability - Financing	72,077	89,489
	<u>2,272,229</u>	<u>2,625,102</u>
Total Liabilities	<u>2,272,229</u>	<u>2,625,102</u>
NET ASSETS		
Without Donor Restrictions	7,965,497	7,555,324
With Donor Restrictions	7,992,200	5,532,882
Total Net Assets	<u>15,957,697</u>	<u>13,088,206</u>
Total Liabilities and Net Assets	<u>\$ 18,229,926</u>	<u>\$ 15,713,308</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 11,033,167	\$ 3,287,956	\$ 14,321,123
Contributions, Donated Goods and Services	3,607,003	2,595,931	6,202,934
Grants	370,747	16,553	387,300
Total Public Support	15,010,917	5,900,440	20,911,357
Internal Special Events	3,707,709	58,000	3,765,709
Internal Special Events, Donated Goods and Services	81,610	-	81,610
Less: Costs of Direct Benefits to Donors	(832,845)	-	(832,845)
Total Internal Special Events	2,956,474	58,000	3,014,474
Investment Gain, Net	871,417	116,515	987,932
Other Income	9,600	-	9,600
Net Assets Released from Restrictions	3,633,665	(3,633,665)	-
Total Revenues, Gains, and Other Support	22,482,073	2,441,290	24,923,363
EXPENSES			
Program Services:			
Wish Granting	15,520,813	-	15,520,813
Support Services:			
Fundraising	3,399,746	-	3,399,746
Management and General	3,151,341	-	3,151,341
Total Support Services	6,551,087	-	6,551,087
Total Expenses	22,071,900	-	22,071,900
OTHER GAINS			
Change in Split-Interest Agreements	-	18,028	18,028
Total Other Gains	-	18,028	18,028
CHANGE IN NET ASSETS			
Net Assets - Beginning of Year	7,555,324	5,532,882	13,088,206
NET ASSETS - END OF YEAR	\$ 7,965,497	\$ 7,992,200	\$ 15,957,697

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 10,219,979	\$ 1,109,569	\$ 11,329,548
Contributions, Donated Goods and Services	4,400,431	1,725,034	6,125,465
Grants	802,248	14,286	816,534
Total Public Support	15,422,658	2,848,889	18,271,547
Internal Special Events	3,506,913	237,433	3,744,346
Internal Special Events, Donated Goods and Services	109,801	-	109,801
Less: Costs of Direct Benefits to Donors	(938,769)	-	(938,769)
Total Internal Special Events	2,677,945	237,433	2,915,378
Investment Gain, Net	370,808	79,346	450,154
Other Income	7,500	-	7,500
Net Assets Released from Restrictions	1,540,870	(1,540,870)	-
Total Revenues, Gains, and Other Support	20,019,781	1,624,798	21,644,579
EXPENSES			
Program Services:			
Wish Granting	17,327,933	-	17,327,933
Support Services:			
Fundraising	2,496,733	-	2,496,733
Management and General	3,012,577	-	3,012,577
Total Support Services	5,509,310	-	5,509,310
Total Expenses	22,837,243	-	22,837,243
OTHER GAINS (LOSSES)			
Change in Split-Interest Agreements	-	7,513	7,513
Loss on Disposal of Equipment	(123)	-	(123)
Total Other Gains (Losses)	(123)	7,513	7,390
CHANGE IN NET ASSETS	(2,817,585)	1,632,311	(1,185,274)
Net Assets - Beginning of Year	10,372,909	3,900,571	14,273,480
NET ASSETS - END OF YEAR	\$ 7,555,324	\$ 5,532,882	\$ 13,088,206

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
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	\$ 12,047,613	\$ -	\$ -	\$ -	\$ -	\$ 12,047,613
Salaries, Taxes, and Benefits	2,113,050	1,897,590	2,547,827	4,445,417	-	6,558,467
Printing, Subscriptions, and Publications	667	46,053	985	47,038	-	47,705
Professional Fees	33,408	48,193	30,218	78,411	-	111,819
Rent and Utilities	160,932	152,568	168,671	321,239	-	482,171
Postage and Delivery	35,216	20,041	14,506	34,547	-	69,763
Travel	28,299	84,243	10,792	95,035	-	123,334
Meetings and Conferences	16,849	204,823	17,753	222,576	-	239,425
Advertising and Media	-	4,901	-	4,901	-	4,901
Office Supplies	28,512	25,718	8,986	34,704	-	63,216
Communications	55,435	77,280	114,028	191,308	-	246,743
Repairs and Maintenance	15,543	14,458	16,439	30,897	-	46,440
National Partnership Dues	940,411	214,951	188,082	403,033	-	1,343,444
Bad Debt Expense	-	391,283	-	391,283	-	391,283
Miscellaneous	26,046	200,419	13,269	213,688	-	239,734
Depreciation and Amortization	18,832	17,225	19,785	37,010	-	55,842
Special Event - Direct Donor Benefits	-	-	-	-	832,845	832,845
Total Expenses by Function	15,520,813	3,399,746	3,151,341	6,551,087	832,845	22,904,745
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(832,845)	(832,845)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 15,520,813	\$ 3,399,746	\$ 3,151,341	\$ 6,551,087	\$ -	22,071,900

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
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	\$ 13,771,119	\$ -	\$ -	\$ -	\$ -	\$ 13,771,119
Salaries, Taxes, and Benefits	2,277,945	1,426,228	2,435,175	3,861,403	-	6,139,348
Printing, Subscriptions, and Publications	6,596	42,044	199	42,243	-	48,839
Professional Fees	62,370	55,280	52,774	108,054	-	170,424
Rent and Utilities	171,663	123,827	163,421	287,248	-	458,911
Postage and Delivery	29,847	13,361	12,327	25,688	-	55,535
Travel	41,308	77,829	12,998	90,827	-	132,135
Meetings and Conferences	16,370	154,103	15,377	169,480	-	185,850
Advertising and Media	564	1,423	529	1,952	-	2,516
Office Supplies	27,228	38,396	10,880	49,276	-	76,504
Communications	53,068	116,756	109,933	226,689	-	279,757
Repairs and Maintenance	13,238	9,296	12,705	22,001	-	35,239
Grants and Scholarships	60,000	-	-	-	-	60,000
National Partnership Dues	752,122	171,914	150,424	322,338	-	1,074,460
Bad Debt Expense	-	53,815	-	53,815	-	53,815
Miscellaneous	23,927	198,186	16,179	214,365	-	238,292
Depreciation and Amortization	20,568	14,275	19,656	33,931	-	54,499
Special Event - Direct Donor Benefits	-	-	-	-	938,769	938,769
Total Expenses by Function	17,327,933	2,496,733	3,012,577	5,509,310	938,769	23,776,012
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(938,769)	(938,769)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 17,327,933	\$ 2,496,733	\$ 3,012,577	\$ 5,509,310	\$ -	\$ 22,837,243

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2024 AND 2023

	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 2,869,491	\$ (1,185,274)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	55,842	54,499
Amortization of Right-of-Use Asset, Financing Lease	19,191	4,242
Bad Debt Expense	391,283	53,815
Net Realized and Unrealized Gains on Investments	(782,396)	(279,544)
Loss on Sale of Property and Equipment	-	123
Change in Value of Split-Interest Agreements	(18,028)	(7,513)
Change in Discount to Present Value of Contributions Receivable	(7,842)	52,679
Change in Operating Right-of-Use Assets and Lease Liabilities	(1,919)	759
Increase (Decrease) in Assets:		
Contributions Receivable	(1,739,505)	(317,589)
Due from Related Entities	(259,010)	(22,680)
Prepaid Expenses	(234,786)	411,404
Other Assets	75,818	(6,321)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(32,830)	(244,766)
Due to Related Entities	(20,080)	(28,599)
Other Liabilities	(20,049)	(129,641)
Net Cash Provided (Used) by Operating Activities	295,180	(1,644,406)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(955,351)	(241,959)
Proceeds from Sales of Investments	1,107,648	1,842,493
Purchases of Property and Equipment	(69,358)	(63,655)
Net Cash Provided by Investing Activities	82,939	1,536,879
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Financing Lease Obligations	(17,412)	(4,242)
Net Cash Used by Financing Activities	(17,412)	(4,242)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	360,707	(111,769)
Cash and Cash Equivalents - Beginning of Year	2,041,813	2,153,582
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,402,520	\$ 2,041,813
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid for Interest Expense	\$ 3,369	\$ 953
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 92,943	\$ 1,921,399
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	\$ -	\$ 93,731

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Ohio, Kentucky & Indiana (the Foundation) is an Ohio 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.

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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

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

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

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

Property and Equipment, Net

Property and equipment having a unit cost of greater than \$500 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 5 years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the leases. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances indicate a long-lived asset may be impaired, the asset value will be reduced to fair value. Fair value is determined through various valuation techniques including quoted market values and third-party independent appraisals, as considered necessary.

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

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

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

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

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

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

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for board-designated endowment.

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.

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
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 \$832,845 and \$942,675 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 \$471,912 and \$657,793, 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.

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.

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

	2024	2023
Wish Related Travel, Goods, and Services	\$ 6,151,719	\$ 6,097,604
Professional Services	2,364	2,768
Internal Special Events	81,610	109,801
Inventory	36,353	-
Property and Equipment	-	18,000
Other	12,498	7,093
Total Contributed Nonfinancial Assets and Services	\$ 6,284,544	\$ 6,235,266

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 donated legal services 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.

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.

Inventory items donated consist of wish enhancements and were valued and reported at the estimated fair value based on current rates for similar products.

Property and equipment items donated consist of computers and were valued and reported at the estimated fair value based on current rates for similar products.

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
NOTES TO FINANCIAL STATEMENTS
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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions: Donated Goods and Services (Continued)

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

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and Ohio taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Section 5733.01 of Ohio Revised 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 specific programs or fundraising activities, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment, and other expenses.

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

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Estimates

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

	<u>2024</u>	<u>2023</u>
Total Financial Assets	\$ 15,768,484	\$ 13,144,576
Donor-Imposed Restrictions:		
Endowments	(1,265,753)	(1,149,238)
Split-Interest Agreements	(152,445)	(134,417)
Wish Granting	(1,228,533)	(259,832)
Contributions Receivable, Net	<u>(5,345,469)</u>	<u>(3,989,395)</u>
Net Financial Assets after Donor-Imposed Restrictions	7,776,284	7,611,694
Internal Designations:		
Board-Designated Endowments	<u>(5,704,761)</u>	<u>(5,411,466)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,071,523</u>	<u>\$ 2,200,228</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.

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NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

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

Board-designated endowment of \$5,704,761 and \$5,411,466, respectively, at August 31, 2024 and 2023 is subject to an annual spending rate of 3% as described in Note 12. Although the Foundation does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

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

NOTE 4 FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

Fair value is defined as the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair values of the financial instruments shown in the following table as of August 31, 2024 and 2023 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

Investments

Overall Investment Objective

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

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
NOTES TO FINANCIAL STATEMENTS
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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:					
Mutual Funds	\$ 4,271,262	\$ -	\$ -	\$ -	\$ 4,271,262
Equity Securities	2,480	-	-	-	2,480
Debt Securities	1,638,178	-	-	-	1,638,178
Certificates of Deposit	256,848	-	-	-	256,848
Cash	-	-	-	573,555	573,555
Total Investments	<u>6,168,768</u>	<u>-</u>	<u>-</u>	<u>573,555</u>	<u>6,742,323</u>
Split-Interest Agreements	-	-	152,445	-	152,445
Beneficial Interests in Assets					
Held by Others	-	-	485,713	-	485,713
Total	<u>-</u>	<u>-</u>	<u>638,158</u>	<u>-</u>	<u>638,158</u>
Total Investments and Investment for Long- Term Purposes	<u>\$ 6,168,768</u>	<u>\$ -</u>	<u>\$ 638,158</u>	<u>\$ 573,555</u>	<u>\$ 7,380,481</u>
	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
<u>August 31, 2023</u>					
Assets					
Investments:					
Mutual Funds	\$ 3,917,855	\$ -	\$ -	\$ -	\$ 3,917,855
Equity Securities	2,023	-	-	-	2,023
Debt Securities	1,660,204	-	-	-	1,660,204
Certificates of Deposit	37,230	-	-	-	37,230
Cash	-	-	-	550,360	550,360
Total Investments	<u>5,617,312</u>	<u>-</u>	<u>-</u>	<u>550,360</u>	<u>6,167,672</u>
Split-Interest Agreements	-	-	134,417	-	134,417
Beneficial Interests in Assets					
Held by Others	-	-	430,265	-	430,265
Total	<u>-</u>	<u>-</u>	<u>564,682</u>	<u>-</u>	<u>564,682</u>
Total Investments and Investment for Long- Term Purposes	<u>\$ 5,617,312</u>	<u>\$ -</u>	<u>\$ 564,682</u>	<u>\$ 550,360</u>	<u>\$ 6,732,354</u>

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AUGUST 31, 2024 AND 2023

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

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>
Reinvested Interest and Dividends	\$ 4,386	\$ 3,604
Sales	(15,064)	(7,694)

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 Trusts Held by Others	\$ 485,713	Fair Market Value of Assets	Time Period of Agreement
Split-Interest Agreements	152,445	Fair Market Value of Assets	Time Period of Agreement
Total	<u>\$ 638,158</u>		

Quantitative Information About Level 3 Fair Value Measurements			
Type of Assets	Fair Value at August 31, 2023	Principal Valuation Technique	Unobservable Inputs
Beneficial Interests in Trusts Held by Others	\$ 430,265	Fair Market Value of Assets	Time Period of Agreement
Split-Interest Agreements	134,417	Fair Market Value of Assets	Time Period of Agreement
Total	<u>\$ 564,682</u>		

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at rates ranging from 0.70% to 4.89% at August 31, 2024 and 0.70% to 4.78% at August 31, 2023. The following is a summary of the Foundation's contributions receivable at August 31:

	<u>2024</u>	<u>2023</u>
Total Amounts Due in:		
Within One Year	\$ 4,069,305	\$ 2,959,083
One to Five Years	1,321,000	1,083,000
Gross Contributions Receivable	5,390,305	4,042,083
Less: Discount to Present Value	(44,837)	(52,679)
Contributions Receivable, Net	<u>\$ 5,345,468</u>	<u>\$ 3,989,404</u>

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
NOTES TO FINANCIAL STATEMENTS
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NOTE 5 CONTRIBUTIONS RECEIVABLE (CONTINUED)

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

NOTE 6 BENEFICIAL INTEREST AGREEMENTS

Beneficial Interest in Assets Held by Others

Donors have contributed assets to the National Organization in exchange for a promise by the National Organization to pay a fixed amount for a specified period of time to the donor or to individuals designated by the donor. Under the terms of such agreements, no trust exists, as the assets received are held by and the liability is an obligation of the National Organization. The National Organization records contribution revenue using the fair value of the assets less the present value of the payments expected to be made to the beneficiaries. The Foundation is named as a beneficiary in one of these agreements. Accordingly, contribution revenue and the related assets are recognized at fair value in the period in which the Foundation received notice that the agreement conveys an unconditional right to receive benefits. Subsequent changes in the value of the underlying assets are included within investment income in the accompanying statement of activities. As of August 31, 2024 and 2023, the Foundation had a beneficial interest in assets held by others of \$404,925 and \$356,666 held by the National Organization, respectively. See Note 4 for fair value disclosures related to these assets.

Beneficial interest in assets held by others, including those amounts held by National and by community foundations, totaled \$485,713 and \$430,265 as of August 31, 2024 and 2023, respectively.

Split-Interest Agreements

The Foundation is named beneficiary on six charitable remainder unitrusts, the corpus of which is not controlled by the management of the Foundation. Under these arrangements, the Foundation has the irrevocable right to receive the remaining assets in the trusts at the termination of the trusts. Accordingly, contribution revenue and the related assets are recognized at fair value in the period in which the Foundation received notice that the trust agreement conveyed an unconditional right to receive benefits. Subsequent changes in the value of the underlying assets have been recorded in the accompanying statement of activities as a component of donor-restricted change in value of split-interest agreements.

The Foundation received beneficial interest in these trusts as part of the acquisition of the Northwest Ohio Chapter that occurred effective September 1, 2010. The Foundation's beneficial interest in the trust is \$152,445 and \$134,417 for the years ended August 31, 2024 and 2023, respectively.

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
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NOTE 7 TRANSACTIONS WITH RELATED ENTITIES

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants and other miscellaneous revenues. During the years ended August 31, 2024 and 2023, respectively, the Foundation received \$2,701,215 and \$1,955,768 from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amount totaling \$1,484,959 and \$1,217,067 were paid from the Foundation to the National Organization during the years ended August 31, 2024 and 2023, respectively.

Chapters who assist with the organization and granting of wishes from other chapters are paid a “fee for service” called the wish assist fee. Under this program, the originating chapter agrees to pay a fee to the chapter of the wish destination to assist with any planning, booking, and facilitating of the wish for the home chapter. Under this program, the Foundation received \$9,600 and \$7,500, 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:

	<u>2024</u>	<u>2023</u>
Due from National Organization	\$ 619,552	\$ 356,814
Due from Other Chapters	20,463	24,191
Total Due from Related Entities	<u>\$ 640,015</u>	<u>\$ 381,005</u>
Due to National Organization	\$ 33,821	\$ 5,931
Due to Other Chapters	114,374	162,344
Total Due to Related Entities	<u>\$ 148,195</u>	<u>\$ 168,275</u>

Amounts due from the National Organization represent contributions remitted to the National Organization that are identified for the Foundation’s use but were not yet transferred to the Foundation as of year-end. Amounts due from other chapters represent amounts paid in assisting other chapters with their wish granting. Amounts due to other chapters represent amounts owed to other chapters who have assisted in the granting of wishes for the Foundation. Amounts due to the National Organization generally represent unpaid chapter dues and services.

During the years ended August 31, 2024 and 2023 the Foundation received contributions, both cash and in-kind, from board members totaling \$1,177,677 and \$1,032,529, respectively. At August 31, 2024 and 2023, amounts due from board members totaled \$855,000 and \$1,312,300, respectively, and are included in contributions receivable in the accompanying statements of financial position.

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
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NOTE 8 PROPERTY AND EQUIPMENT, NET

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

	<u>2024</u>	<u>2023</u>
Computer Equipment and Software	\$ 381,806	\$ 425,575
Office Furniture and Equipment	188,835	184,399
Leasehold Improvements	<u>83,557</u>	<u>83,557</u>
Total	654,198	693,531
Less Accumulated Depreciation and Amortization	<u>(515,137)</u>	<u>(567,986)</u>
Property and Equipment, Net	<u><u>\$ 139,061</u></u>	<u><u>\$ 125,545</u></u>

Depreciation expense totaled \$55,842 and \$54,499, respectively for the years ended August 31, 2024 and 2023.

NOTE 9 LINE OF CREDIT

The Foundation has an unsecured line of credit with a financial institution totaling \$500,000, bearing interest at a variable rate, to continue until an agreed-upon termination date. As of August 31, 2024 and 2023, the Foundation had no amounts outstanding on this line of credit.

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
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NOTE 10 LEASES

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 2030.

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

	<u>2024</u>	<u>2023</u>
Lease Cost:		
Financing Lease Cost:		
Amortization of Right-of-Use Assets	\$ 19,191	\$ 4,242
Interest on Lease Liabilities	3,369	953
Operating Lease Cost	399,412	394,703
Total Lease Cost	<u>\$ 421,972</u>	<u>\$ 399,898</u>
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating Cash Flows from Financing Leases	\$ 3,369	\$ 953
Operating Cash Flows from Operating Leases	\$ 401,331	\$ 393,944
Financing Cash Flows from Financing Leases	\$ 17,412	\$ 4,242
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	\$ -	\$ 93,731
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 92,943	\$ 1,921,399
Weighted-Average Remaining Leases Term - Financing Leases	3.6 Years	4.6 Years
Weighted Average Remaining Lease Term - Operating Leases	5.3 Years	6.0 Years
Weighted-Average Discount Rate - Financing Leases	4.13%	4.13%
Weighted-Average Discount Rate - Operating Leases	3.03%	3.00%

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

<u>Year Ending August 31,</u>	<u>Operating Leases</u>	<u>Financing Leases</u>
2025	\$ 334,548	\$ 20,780
2026	254,886	20,780
2027	231,706	20,780
2028	228,162	15,585
2029	228,738	-
Thereafter	193,016	-
Total Lease Payments	<u>1,471,056</u>	<u>77,925</u>
Less: Imputed Interest	<u>(108,559)</u>	<u>(5,848)</u>
Present Value of Lease Liabilities	<u>\$ 1,362,497</u>	<u>\$ 72,077</u>

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
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NOTE 11 NET ASSETS

Net Assets Without Donor Restrictions

Board-designated net assets consist of the following at August 31:

	<u>2024</u>	<u>2023</u>
Board-Designated Endowment Funds	\$ 5,299,836	\$ 5,054,800
Held by National	404,925	356,666
Total Board-Designated Net Assets	<u>\$ 5,704,761</u>	<u>\$ 5,411,466</u>

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	\$ 1,228,533	\$ 259,832
In-Kind Contributions Receivable	2,595,931	1,725,034
Total	<u>3,824,464</u>	<u>1,984,866</u>
Subject to Passage of Time:		
Cash Contributions Receivable	2,749,538	2,264,361
Not Subject to Spending Policy or Appropriation:		
Split-Interest Agreements	152,445	134,417
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	624,305	514,595
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
To Support Any Activities of the Foundation	109,994	109,994
To Grant Disney World Wishes	148,984	142,179
To Grant Wishes in the Southern Ohio Region	125,000	125,000
To Grant Wishes in the Northern Ohio Region	242,470	242,470
To Grant Wishes in Cleveland	15,000	15,000
Total Endowments	<u>1,265,753</u>	<u>1,149,238</u>
Total Donor-Restricted Net Assets	<u>\$ 7,992,200</u>	<u>\$ 5,532,882</u>

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
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NOTE 12 ENDOWMENTS

The Foundation is subject to the enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and is required to make disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds.

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

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the Ohio UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as donor-restricted net assets: (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulated earnings on the donor-restricted endowment funds. The accumulated earnings on the endowment funds remain treated as donor-restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

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

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NOTE 12 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

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

<u>August 31, 2024</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Endowment Funds:			
Original Gift to be Maintained in Perpetuity	\$ -	\$ 641,448	\$ 641,448
Accumulated Investment Gains	-	624,305	624,305
Board-Designated Endowment Funds			
Held by National	404,925	-	404,925
Board-Designated Endowment Funds			
Held by Chapter	<u>5,299,836</u>	<u>-</u>	<u>5,299,836</u>
Total Funds	<u>\$ 5,704,761</u>	<u>\$ 1,265,753</u>	<u>\$ 6,970,514</u>
<u>August 31, 2023</u>			
Donor-Restricted Endowment Funds:			
Original Gift to be Maintained in Perpetuity	\$ -	\$ 634,643	\$ 634,643
Accumulated Investment Gains	-	514,595	514,595
Board-Designated Endowment Funds			
Held by National	356,666	-	356,666
Board-Designated Endowment Funds			
Held by Chapter	<u>5,054,800</u>	<u>-</u>	<u>5,054,800</u>
Total Funds	<u>\$ 5,411,466</u>	<u>\$ 1,149,238</u>	<u>\$ 6,560,704</u>

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
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AUGUST 31, 2024 AND 2023

NOTE 12 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

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

<u>August 31, 2024</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds - Beginning of Year	\$ 5,411,466	\$ 1,149,238	\$ 6,560,704
Investment Return	808,409	116,515	924,924
Appropriation of Endowment Assets Pursuant to Spending-Rate Policy	<u>(515,114)</u>	<u>-</u>	<u>(515,114)</u>
Endowment Funds - End of Year	<u>\$ 5,704,761</u>	<u>\$ 1,265,753</u>	<u>\$ 6,970,514</u>
<u>August 31, 2023</u>			
Endowment Funds - Beginning of Year	\$ 6,553,179	\$ 1,070,430	\$ 7,623,609
Investment Return	366,011	78,808	444,819
Appropriation of Endowment Assets Pursuant to Spending-Rate Policy	<u>(1,507,724)</u>	<u>-</u>	<u>(1,507,724)</u>
Endowment Funds - End of Year	<u>\$ 5,411,466</u>	<u>\$ 1,149,238</u>	<u>\$ 6,560,704</u>

Fund Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. There are no fund deficiencies as of August 31, 2024 and 2023.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment fund(s) while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 6% annually. Actual returns in any given year may vary from this amount.

MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA
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NOTE 12 ENDOWMENTS (CONTINUED)

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent constraints.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 3% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 3% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 13 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 Internal Revenue Code limitations. The Foundation matches employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan for the year ended August 31, 2024 and 2023 were \$92,163 and \$72,234, respectively.

NOTE 14 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 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.

In-kind contributions totaling \$3,249,509 and \$4,117,867, respectively, were received from a single donor for the years ended August 31, 2024 and 2023, which represents 16% and 23%, respectively, 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.

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NOTE 15 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 1,061 and 1,205 wishes, respectively. As of August 31, 2024 and 2023, respectively, there were approximately 1,700 and 1,800 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2024 was \$6,724 in cash and \$4,628 in in-kind for a total cost of \$11,352. The average cost of a wish for the year ended August 31, 2023 was \$6,916 in cash and \$4,513 in in-kind for a total cost of \$11,429.

NOTE 16 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 79% of wishes granted and the number of granted wishes averaged approximately 785. The number of wishes granted during the years ended August 31, 2024 and 2023 was 1,061 and 1,205, respectively.

NOTE 17 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 year ended August 31, 2023, the Foundation applied for Employee Retention Credit (ERC) grant funding from the Internal Revenue Service. The Foundation recognized \$451,559 of grant revenue related to performance requirements being met in compliance with the program during the year ended August 31, 2023. There was no such funding applied for or received during the year ended August 31, 2024.

Eligibility and conditions for the ERC program may be audited by the Internal Revenue Service. 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 18 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through February 10, 2025, the date at which the financial statements were available to be issued.



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