

**MAKE-A-WISH FOUNDATION®
OF NORTH DAKOTA**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2024 AND 2023



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
TABLE OF CONTENTS
YEARS ENDED AUGUST 31, 2024 AND 2023

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9



INDEPENDENT AUDITORS' REPORT

Finance Committee
Make-A-Wish Foundation® of North Dakota
Fargo, North Dakota

Report on the Audit of the Financial Statements

Opinion

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

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



CliftonLarsonAllen LLP

Minneapolis, Minnesota
January 27, 2025

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

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 336,506	\$ 144,195
Investments	5,787,298	5,434,634
Due from Related Entities	21,055	19,024
Prepaid Expenses	42,027	36,020
Contributions Receivable, Net	30,706	45,614
Other Assets	6,612	7,178
Right-of-Use Assets - Operating	80,783	146,033
Property and Equipment, Net	<u>6,162</u>	<u>7,804</u>
Total Assets	<u><u>\$ 6,311,149</u></u>	<u><u>\$ 5,840,502</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 57,535	\$ 57,200
Due to Related Entities	68,336	77,761
Lease Liability - Operating	<u>87,857</u>	<u>158,105</u>
Total Liabilities	213,728	293,066
NET ASSETS		
Without Donor Restrictions	5,035,781	4,600,947
With Donor Restrictions	<u>1,061,640</u>	<u>946,489</u>
Total Net Assets	<u>6,097,421</u>	<u>5,547,436</u>
Total Liabilities and Net Assets	<u><u>\$ 6,311,149</u></u>	<u><u>\$ 5,840,502</u></u>

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 1,028,141	\$ 55,000	\$ 1,083,141
Contributions, Donated Goods, and Services	404,512	30,483	434,995
Grants	212,400	-	212,400
Total Public Support	1,645,053	85,483	1,730,536
Internal Special Events, Cash	261,394	-	261,394
Internal Special Events, Donated Goods, and Services	25,861	-	25,861
Less: Costs of Direct Benefits to Donors	(89,645)	-	(89,645)
Total Internal Special Events	197,610	-	197,610
Investment Income, Net	636,287	91,556	727,843
Net Assets Released from Restrictions	61,888	(61,888)	-
Total Revenues, Gains, and Other Support	2,540,838	115,151	2,655,989
EXPENSES			
Program Services:			
Wish Granting	1,413,815	-	1,413,815
Support Services:			
Fundraising	389,216	-	389,216
Management and General	302,973	-	302,973
Total Support Services	692,189	-	692,189
Total Expenses	2,106,004	-	2,106,004
CHANGE IN NET ASSETS	434,834	115,151	549,985
Net Assets - Beginning of Year	4,600,947	946,489	5,547,436
NET ASSETS - END OF YEAR	<u>\$ 5,035,781</u>	<u>\$ 1,061,640</u>	<u>\$ 6,097,421</u>

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 836,376	\$ 44,902	\$ 881,278
Contributions, Donated Goods, and Services	435,618	45,615	481,233
Grants	128,186	-	128,186
Total Public Support	<u>1,400,180</u>	<u>90,517</u>	<u>1,490,697</u>
Internal Special Events, Cash	366,687	-	366,687
Internal Special Events, Donated Goods, and Services	3,556	-	3,556
Less: Costs of Direct Benefits to Donors	<u>(61,669)</u>	<u>-</u>	<u>(61,669)</u>
Total Internal Special Events	308,574	-	308,574
Investment Income, Net	252,577	65,404	317,981
Other Income	400	-	400
Net Assets Released from Restrictions	<u>9,235</u>	<u>(9,235)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	1,970,966	146,686	2,117,652
EXPENSES			
Program Services:			
Wish Granting	1,343,714	-	1,343,714
Support Services:			
Fundraising	314,695	-	314,695
Management and General	331,934	-	331,934
Total Support Services	<u>646,629</u>	<u>-</u>	<u>646,629</u>
Total Expenses	<u>1,990,343</u>	<u>-</u>	<u>1,990,343</u>
CHANGE IN NET ASSETS	(19,377)	146,686	127,309
Net Assets - Beginning of Year	<u>4,620,324</u>	<u>799,803</u>	<u>5,420,127</u>
NET ASSETS - END OF YEAR	<u><u>\$ 4,600,947</u></u>	<u><u>\$ 946,489</u></u>	<u><u>\$ 5,547,436</u></u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2024

	Program Services	Support Services				
	Wish Granting	Fundraising	Management and General	Total Support Services	Direct Donor Benefits	Total
Direct Costs of Wishes	\$ 857,218	\$ -	\$ -	\$ -	\$ -	\$ 857,218
Salaries, Taxes, and Benefits	319,416	132,719	182,886	315,605	-	635,021
Printing, Subscriptions, and Publications	5,221	11,833	1,176	13,009	-	18,230
Professional Fees	3,376	15,148	39,214	54,362	-	57,738
Rent and Utilities	36,333	15,096	20,803	35,899	-	72,232
Postage and Delivery	7,124	3,610	2,134	5,744	-	12,868
Travel	858	8,166	3,460	11,626	-	12,484
Meetings and Conferences	2,492	10,681	4,349	15,030	-	17,522
Office Supplies	23,224	4,649	930	5,579	-	28,803
Communications	4,128	1,715	2,363	4,078	-	8,206
Advertising and Media (Cash)	350	31,592	-	31,592	-	31,942
Advertising and Media (In-Kind)	21,495	117,703	14,183	131,886	-	153,381
Membership Dues	1,338	2,281	766	3,047	-	4,385
Grants and Scholarships	35,000	-	-	-	-	35,000
National Partnership Dues	91,131	20,830	18,226	39,056	-	130,187
Miscellaneous	2,171	11,971	10,800	22,771	-	24,942
Depreciation	2,940	1,222	1,683	2,905	-	5,845
Special Event - Direct Donor Benefits	-	-	-	-	89,645	89,645
Total Expenses by Function	1,413,815	389,216	302,973	692,189	89,645	2,195,649
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(89,645)	(89,645)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 1,413,815	\$ 389,216	\$ 302,973	\$ 692,189	\$ -	\$ 2,106,004

See accompanying Notes to Financial Statements.

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

	Program Services	Support Services				
	Wish Granting	Fundraising	Management and General	Total Support Services	Direct Donor Benefits	Total
Direct Costs of Wishes	\$ 767,298	\$ -	\$ -	\$ -	\$ -	\$ 767,298
Salaries, Taxes, and Benefits	302,565	125,718	173,238	298,956	-	601,521
Printing, Subscriptions, and Publications	13,163	13,547	5,585	19,132	-	32,295
Professional Fees	3,545	7,481	38,944	46,425	-	49,970
Rent and Utilities	36,375	15,114	20,827	35,941	-	72,316
Postage and Delivery	4,579	4,437	1,223	5,660	-	10,239
Travel	2,092	5,428	15,680	21,108	-	23,200
Meetings and Conferences	3,522	3,847	8,444	12,291	-	15,813
Office Supplies	21,403	1,821	1,507	3,328	-	24,731
Communications	3,814	1,585	2,183	3,768	-	7,582
Advertising and Media (Cash)	1,110	36,496	235	36,731	-	37,841
Advertising and Media (In-Kind)	45,430	62,466	34,072	96,538	-	141,968
Membership Dues	1,431	1,420	819	2,239	-	3,670
Grants and Scholarships	35,000	-	-	-	-	35,000
National Partnership Dues	94,227	21,538	18,845	40,383	-	134,610
Miscellaneous	5,658	12,757	8,899	21,656	-	27,314
Depreciation	2,502	1,040	1,433	2,473	-	4,975
Special Event - Direct Donor Benefits	-	-	-	-	61,669	61,669
Total Expenses by Function	1,343,714	314,695	331,934	646,629	61,669	2,052,012
Less Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(61,669)	(61,669)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 1,343,714	\$ 314,695	\$ 331,934	\$ 646,629	\$ -	\$ 1,990,343

See accompanying Notes to Financial Statements.

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

	<u>2024</u>	<u>2023</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 549,985	\$ 127,309
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided (Used) by Operating Activities:		
Depreciation	5,845	4,975
Change in Operating Right-of-Use Assets and Lease Liabilities	(4,998)	(3,960)
Net Realized and Unrealized Gains on Investments	(618,011)	(217,372)
(Increase) Decrease in Assets:		
Contributions Receivable	14,908	62,974
Due from Related Entities	(2,031)	10,273
Prepaid Expenses	(6,007)	263
Other Assets	566	5,958
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	335	(43,263)
Due to Related Entities	(9,425)	71,651
Net Cash Provided (Used) by Operating Activities	<u>(68,833)</u>	<u>18,808</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(919,682)	(1,969,245)
Proceeds from Sales of Investments	1,185,029	1,957,022
Purchases of Property and Equipment	(4,203)	(1,362)
Net Cash Provided (Used) by Investing Activities	<u>261,144</u>	<u>(13,585)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	192,311	5,223
Cash and Cash Equivalents - Beginning of Year	<u>144,195</u>	<u>138,972</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 336,506</u></u>	<u><u>\$ 144,195</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Right-of-Use Assets Obtained in Exchange for New		
Operating Lease Liabilities	<u><u>\$ -</u></u>	<u><u>\$ 4,247</u></u>

See accompanying Notes to Financial Statements.

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

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of North Dakota (the Foundation) is a North Dakota 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. In addition, the local chapter is obligated to comply with a chapter agreement with the National Organization and such guidelines, resolutions, and policies as may be adopted by the National Organization's board of directors.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Cash and Cash Equivalents

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

Investments

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

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

Contributions Receivable

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

Leases

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases (Continued)

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

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

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

Property and Equipment, Net

Property and equipment having a unit cost greater than \$500 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally three to five years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the 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 NORTH DAKOTA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2024 AND 2023

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

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

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

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

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

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

Net Assets

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

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

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

MAKE-A-WISH FOUNDATION® OF NORTH DAKOTA
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 \$89,645 and \$61,669 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 statements of activities. The amount of auction items received and sold during the years ended August 31, 2024 and 2023 totaled \$71,604 and \$35,818, 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. There was no conditional promises outstanding for the years ended August 31, 2024 and 2023.

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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

Contributions: Donated Goods and Services

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

	2024	2023
Wish Related Travel, Goods, and Services	\$ 281,330	\$ 330,746
Advertising and Media	153,381	141,968
Special Events	25,861	3,556
Other	284	8,519
Total Contributed Nonfinancial Assets and Services	<u>\$ 460,856</u>	<u>\$ 484,789</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.

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

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

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

Management believes that no uncertain tax positions exist for the Foundation at August 31, 2024 and 2023. The Foundation files income tax returns in the U.S. federal jurisdiction and applicable state jurisdictions.

Functional Expenses

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

Wish Granting

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

Fundraising

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

Management and General

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

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

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

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. Holding 6 to 24 months of liquidity is considered excellent based off the enterprise-wide published scale.

	2024	2023
Total Financial Assets	\$ 6,175,565	\$ 5,643,467
Donor-Imposed Restrictions:		
Restricted Funds	(319,138)	(334,272)
Endowments	(742,502)	(612,217)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 5,113,925</u>	<u>\$ 4,696,978</u>

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

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

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

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

NOTE 4 FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

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

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

Investments

Overall Investment Objective

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

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

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:

2024					
	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
Assets:					
Investments:					
Mutual Funds	\$ 358,079	\$ -	\$ -	\$ -	\$ 358,079
Exchange-Traded Funds	3,053,793	-	-	-	3,053,793
Debt Securities	-	2,070,120	-	-	2,070,120
Total	3,411,872	2,070,120	-	-	5,481,992
Cash	-	-	-	305,306	305,306
Total Investments	<u>\$ 3,411,872</u>	<u>\$ 2,070,120</u>	<u>\$ -</u>	<u>\$ 305,306</u>	<u>\$ 5,787,298</u>
2023					
	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
Assets:					
Investments:					
Mutual Funds	\$ 337,075	\$ -	\$ -	\$ -	\$ 337,075
Exchange-Traded Funds	2,783,616	-	-	-	2,783,616
Debt Securities	-	2,012,409	-	-	2,012,409
Total	3,120,691	2,012,409	-	-	5,133,100
Cash	-	-	-	301,534	301,534
Total Investments	<u>\$ 3,120,691</u>	<u>\$ 2,012,409</u>	<u>\$ -</u>	<u>\$ 301,534</u>	<u>\$ 5,434,634</u>

For the valuation of debt securities at August 31, 2024 and 2023, the Foundation used significant other observable inputs, particularly dealer market prices for comparable investments as of the valuation date (Level 2).

NOTE 5 CONTRIBUTIONS RECEIVABLE

The Foundation's contributions receivable as of August 31, 2024 and 2023 were \$30,706 and \$45,615, respectively, which are due from two donors and one donor. 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.

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

NOTE 6 TRANSACTIONS WITH RELATED ENTITIES

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants and other miscellaneous revenues. During the years ended August 31, 2024 and 2023, the Foundation received \$144,029 and \$126,483, respectively, from these national revenue streams.

As part of the National Organization's Wish Fulfillment Fund, chapters may apply for funds that have been donated by other chapters to underwrite the cost of wishes. Under this program, the Foundation contributed \$35,000 during the years ended August 31, 2024 and 2023.

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. Amount totaling \$216,366 and \$213,107 were paid from the Foundation to the National Organization during the years ended August 31, 2024 and 2023, respectively.

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

	2024	2023
Due from National Organization	\$ 21,055	\$ 19,024
Total Due from Related Entities	<u>\$ 21,055</u>	<u>\$ 19,024</u>
Due to National Organization	\$ 46,007	\$ 43,709
Due to Other Chapters	22,329	34,052
Total Due to Related Entities	<u>\$ 68,336</u>	<u>\$ 77,761</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 \$22,261 and \$8,185, respectively. Amounts paid to related parties for goods and services used in the Foundation's operations totaled \$95,566 and \$119,313 for the years ended August 31, 2024 and 2023, respectively.

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

NOTE 7 PROPERTY AND EQUIPMENT, NET

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

	2024	2023
Computer Equipment and Software	\$ 25,782	\$ 25,782
Office Furniture and Equipment	60,303	56,100
Leasehold Improvements	768	768
Total	86,853	82,650
Less: Accumulated Depreciation	(80,691)	(74,846)
Property and Equipment, Net	<u>\$ 6,162</u>	<u>\$ 7,804</u>

Depreciation expense totaled \$5,845 and \$4,975, respectively, for the years ended August 31, 2024 and 2023.

NOTE 8 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 2028.

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

	2024	2023
Lease Cost:		
Operating Lease Cost	\$ 69,360	\$ 68,914
Total Lease Cost	<u>\$ 69,360</u>	<u>\$ 68,914</u>
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating Cash Flows from Operating Leases	\$ 74,359	\$ 72,874
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 208,562
Weighted-Average Remaining Lease Term - Operating	1.2 Years	2.2 Years
Weighted-Average Discount Rate - Operating Leases	3.43%	3.43%

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

NOTE 8 LEASES (CONTINUED)

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

<u>Year Ending August 31,</u>	<u>Operating Leases</u>
2025	\$ 75,398
2026	13,010
2027	594
2028	446
2029	149
Total Lease Payments	89,597
Less: Imputed Interest	(1,740)
Present Value of Lease Liabilities	<u>\$ 87,857</u>

NOTE 9 NET ASSETS

Net Assets With Donor Restrictions

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

	<u>2024</u>	<u>2023</u>
Subject to Expenditure for Specified Purpose:		
Permanent Improvements	\$ 287,843	\$ 287,843
Wish Granting	30,481	45,615
Medical Outreach and Capacity	814	814
Total	<u>319,138</u>	<u>334,272</u>
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	253,422	178,137
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
Endowment	<u>489,080</u>	<u>434,080</u>
Total	<u>742,502</u>	<u>612,217</u>
Total Net Assets With Donor Restrictions	<u>\$ 1,061,640</u>	<u>\$ 946,489</u>

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

NOTE 10 ENDOWMENTS

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

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

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the North Dakota 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

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

	Without Donor Restrictions	With Donor Restrictions	Total
<u>August 31, 2024</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 742,502	\$ 742,502
Total Funds	<u>\$ -</u>	<u>\$ 742,502</u>	<u>\$ 742,502</u>
<u>August 31, 2023</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 612,217	\$ 612,217
Total Funds	<u>\$ -</u>	<u>\$ 612,217</u>	<u>\$ 612,217</u>

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

NOTE 10 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

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

	2024		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds - Beginning of Year	\$ -	\$ 612,217	\$ 612,217
Investment Return:			
Investment Income	-	14,407	14,407
Net Appreciation (Realized and Unrealized)	-	77,151	77,151
Total Investment Return	-	91,558	91,558
Contributions	-	55,000	55,000
Appropriation of Endowment Asset for Expenditure	-	(16,273)	(16,273)
Endowment Funds - End of Year	<u>\$ -</u>	<u>\$ 742,502</u>	<u>\$ 742,502</u>
	2023		
	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds - Beginning of Year	\$ -	\$ 518,305	\$ 518,305
Investment Return:			
Investment Income	-	17,908	17,908
Net Appreciation (Realized and Unrealized)	-	31,102	31,102
Total Investment Return	-	49,010	49,010
Contributions	-	44,902	44,902
Endowment Funds - End of Year	<u>\$ -</u>	<u>\$ 612,217</u>	<u>\$ 612,217</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.

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

NOTE 10 ENDOWMENTS (CONTINUED)

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment fund(s) while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. 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 3% annually. Actual returns in any given year may vary from this amount.

Strategies Employed for Achieving Objectives

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

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year any earnings over the permanently restricted amount 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 11 RETIREMENT PLAN

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of one year of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2024 and 2023 were \$15,458 and \$15,182, respectively.

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

NOTE 12 CONCENTRATION

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 \$210,196 and \$-0-, respectively, were received from one donor and zero donors, respectively, for the years ended August 31, 2024 and 2023, which represents 10% and 0% total public support and gross internal special event revenue, respectfully. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 13 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 14 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the fiscal years ended August 31, 2024 and 2023, the Foundation granted 61 and 51 wishes, respectively. As of August 31, 2024 and 2023, respectively, there were approximately 53 and 58 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2024 was \$9,314 in cash and \$4,657 in in-kind for a total cost of \$13,971. The average cost of a wish for the year ended August 31, 2023 was \$9,244 in cash and \$5,691 in in-kind for a total cost of \$14,935.

NOTE 15 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.

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

NOTE 15 RISKS AND UNCERTAINTIES (CONTINUED)

As of September 15, 2021, in consultation with the NMAC, the pause on domestic travel to large gatherings was lifted, if travel occurred by automobile. The pause on airline travel was lifted December 1, 2021 with a graduated approach with full domestic travel resuming June of 2022. Cruise wish travel resumed in June 2024 and international wish travel resumed effective September 1, 2024. Prior to fiscal year 2020, travel wishes have been approximately 75% of wishes granted and the number of granted wishes averaged approximately 34. The number of wishes granted during the years ended August 31, 2024 and 2023 was 61 and 51, respectively.

NOTE 16 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through January 27, 2025, the date at which the financial statements were available to be issued.

