

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



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MAKE-A-WISH FOUNDATION® OF VERMONT
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Vermont
South Burlington, Vermont

Report on the Audit of the Financial Statements

Opinion

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

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



CliftonLarsonAllen LLP

Phoenix, Arizona
March 17, 2025

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

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and Cash Equivalents	\$ 93,313	\$ 651,072
Investments	1,981,850	1,478,835
Due from Related Entities	75,198	102,104
Prepaid Expenses	56,749	52,063
Contributions Receivable, Net	204,916	54,133
Other Assets	9,521	58,340
Investments Held for Long-Term Purposes	1,006,005	905,484
Property and Equipment, Net	<u>114,861</u>	<u>92,247</u>
Total Assets	<u>\$ 3,542,413</u>	<u>\$ 3,394,278</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 106,989	\$ 71,134
Due to Related Entities	23,676	50,005
Deferred Revenue	<u>12,000</u>	<u>-</u>
Total Liabilities	142,665	121,139
NET ASSETS		
Without Donor Restrictions	3,036,044	2,953,470
With Donor Restrictions	<u>363,704</u>	<u>319,669</u>
Total Net Assets	<u>3,399,748</u>	<u>3,273,139</u>
Total Liabilities and Net Assets	<u>\$ 3,542,413</u>	<u>\$ 3,394,278</u>

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 771,653	\$ -	\$ 771,653
Contributions, Donated Goods and Services	192,878	90,812	283,690
Grants	80,768	-	80,768
Total Public Support	1,045,299	90,812	1,136,111
Internal Special Events	66,706	-	66,706
Internal Special Events, Donated Goods and Services	1,355	-	1,355
Less: Costs of Direct Benefits to Donors	(4,323)	-	(4,323)
Total Special Events	63,738	-	63,738
Investment Income, Net	364,999	37,326	402,325
Other Income	55,909	-	55,909
Net Assets Released from Restrictions	84,103	(84,103)	-
Total Revenues, Gains, and Other Support	1,614,048	44,035	1,658,083
EXPENSES			
Program Services:			
Wish Granting	933,853	-	933,853
Total Program Services	933,853	-	933,853
Support Services:			
Fundraising	226,462	-	226,462
Management and General	371,159	-	371,159
Total Support Services	597,621	-	597,621
Total Expenses	1,531,474	-	1,531,474
CHANGE IN NET ASSETS	82,574	44,035	126,609
Net Assets - Beginning of Year	2,953,470	319,669	3,273,139
NET ASSETS - END OF YEAR	<u>\$ 3,036,044</u>	<u>\$ 363,704</u>	<u>\$ 3,399,748</u>

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 1,024,981	\$ -	\$ 1,024,981
Contributions, Donated Goods and Services	210,457	4,133	214,590
Grants	152,483	20,000	172,483
Total Public Support	1,387,921	24,133	1,412,054
Internal Special Events, Cash	90,883	-	90,883
Internal Special Events, Donated Goods and Services	2,200	-	2,200
Less: Costs of Direct Benefits to Donors	(3,117)	-	(3,117)
Total Special Events	89,966	-	89,966
Investment Income, Net	186,849	17,379	204,228
Other Income	34,909	-	34,909
Net Assets Released from Restrictions	276,396	(276,396)	-
Total Revenues, Gains, and Other Support	1,976,041	(234,884)	1,741,157
EXPENSES			
Program Services:			
Wish Granting	1,012,436	-	1,012,436
Total Program Services	1,012,436	-	1,012,436
Support Services:			
Fundraising	236,939	-	236,939
Management and General	316,785	-	316,785
Total Support Services	553,724	-	553,724
Total Expenses	1,566,160	-	1,566,160
CHANGE IN NET ASSETS	409,881	(234,884)	174,997
Net Assets - Beginning of Year	2,543,589	554,553	3,098,142
NET ASSETS - END OF YEAR	<u>\$ 2,953,470</u>	<u>\$ 319,669</u>	<u>\$ 3,273,139</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF VERMONT
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	\$ 471,690	\$ -	\$ -	\$ -	\$ -	\$ 471,690
Salaries, Taxes, and Benefits	303,222	135,482	203,966	339,448	-	642,670
Printing, Subscriptions, and Publications	2,596	9,290	3,174	12,464	-	15,060
Professional Fees	2,552	8,977	55,708	64,685	-	67,237
Rent and Utilities	27,903	12,394	18,872	31,266	-	59,169
Postage and Delivery	551	984	4,573	5,557	-	6,108
Travel	-	1,820	33,285	35,105	-	35,105
Meetings and Conferences	24	614	1,954	2,568	-	2,592
Office Supplies	11,513	1,420	1,593	3,013	-	14,526
Communications	3,352	1,510	2,304	3,814	-	7,166
Advertising and Media (Cash)	-	16,919	-	16,919	-	16,919
Advertising and Media (In-Kind)	-	5,105	-	5,105	-	5,105
Repairs and Maintenance	375	168	255	423	-	798
Insurance	194	84	127	211	-	405
Membership Dues	195	87	133	220	-	415
National Partnership Dues	94,207	21,533	18,841	40,374	-	134,581
Miscellaneous	3,101	4,544	17,946	22,490	-	25,591
Depreciation and Amortization	12,378	5,531	8,428	13,959	-	26,337
Special Event - Direct Donor Benefits	-	-	-	-	4,323	4,323
Total	933,853	226,462	371,159	597,621	4,323	1,535,797
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(4,323)	(4,323)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 933,853	\$ 226,462	\$ 371,159	\$ 597,621	\$ -	\$ 1,531,474

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF VERMONT
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	\$ 562,123	\$ -	\$ -	\$ -	\$ -	\$ 562,123
Salaries, Taxes, and Benefits	202,850	101,436	160,613	262,049	-	464,899
Printing, Subscriptions, and Publications	2,486	9,296	2,205	11,501	-	13,987
Professional Fees	388	127	35,094	35,221	-	35,609
Rent and Utilities	25,991	13,098	20,798	33,896	-	59,887
Postage and Delivery	2,302	1,450	1,214	2,664	-	4,966
Travel	1,369	1,910	36,458	38,368	-	39,737
Meetings and Conferences	1,686	3,570	9,924	13,494	-	15,180
Office Supplies	50,354	3,663	2,444	6,107	-	56,461
Communications	3,257	1,628	2,521	4,149	-	7,406
Advertising and Media (Cash)	-	12,233	-	12,233	-	12,233
Advertising and Media (In-Kind)	-	5,460	-	5,460	-	5,460
Repairs and Maintenance	710	372	502	874	-	1,584
Bad Debt Expense	-	47,700	-	47,700	-	47,700
Membership Dues	178	89	138	227	-	405
National Partnership Dues	106,481	24,338	21,296	45,634	-	152,115
Miscellaneous	43,261	6,066	16,618	22,684	-	65,945
Depreciation and Amortization	9,000	4,503	6,960	11,463	-	20,463
Special Event - Direct Donor Benefits	-	-	-	-	3,117	3,117
	1,012,436	236,939	316,785	553,724	3,117	1,569,277
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(3,117)	(3,117)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 1,012,436	\$ 236,939	\$ 316,785	\$ 553,724	\$ -	\$ 1,566,160

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF VERMONT
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	\$ 126,609	\$ 174,997
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	26,337	20,463
Bad Debt Expense	-	47,700
Net Realized and Unrealized Gains on Investments	(323,490)	(136,287)
Change in Discount to Present Value of Contributions Receivable	-	(1,583)
Contributed Property and Equipment	(12,965)	(6,320)
Contributions Receivable	(150,783)	124,546
Due from Related Entities	26,906	(89,501)
Prepaid Expenses	(4,686)	(37,451)
Other Assets	48,819	(38,417)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	15,931	29,876
Due to Related Entities	(26,329)	22,180
Deferred Revenue	12,000	-
Net Cash Provided (Used) by Operating Activities	<u>(261,651)</u>	<u>110,203</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(2,900,700)	(542,574)
Proceeds from Sales of Investments	2,620,654	107,448
Purchases of Property and Equipment	<u>(16,062)</u>	<u>(32,036)</u>
Net Cash Used by Investing Activities	<u>(296,108)</u>	<u>(467,162)</u>
DECREASE IN CASH AND CASH EQUIVALENTS	(557,759)	(356,959)
Cash and Cash Equivalents - Beginning of Year	<u>651,072</u>	<u>1,008,031</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 93,313</u>	<u>\$ 651,072</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Contributed Property and Equipment	<u>\$ 12,965</u>	<u>\$ 6,320</u>
Property and Equipment Purchases in Accounts Payable and Accrued Expenses	<u>\$ 19,924</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

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

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Vermont (the Foundation) is a Vermont 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 VERMONT
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 finance leases are included in right-of-use ("ROU") assets – financing and lease liability – financing in the statements of financial position.

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

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.

The Foundation did not have any lease obligations at August 31, 2024 and 2023.

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 10 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 VERMONT
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 a 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 VERMONT
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 \$4,300 and \$3,100 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.

Other income revenue consists of management fees. These revenues are recognized over time as the services are delivered.

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

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 VERMONT
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	\$ 228,290	\$ 189,062
Professional Services	2,000	-
Contributed Office Space	34,880	(18,412)
Advertising and Media	5,105	5,460
Special Events	1,355	600
Property and Equipment	12,965	6,320
Other	450	33,760
Total Contributed Nonfinancial Assets and Services	<u>\$ 285,045</u>	<u>\$ 216,790</u>

Wish related travel, goods and 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 construction services and are valued and reported at the estimated fair value based on current rates for similar services.

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

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

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

Property and equipment items donated consist of HVAC air system and electric work and were valued using the fair value of these services.

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 VERMONT
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 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.

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.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adoption of Accounting Pronouncement

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

NOTE 3 LIQUIDITY AND AVAILABILITY

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

	<u>2024</u>	<u>2023</u>
Total Financial Assets	\$ 3,361,282	\$ 3,191,628
Donor-Imposed Restrictions:		
Restricted Funds	(90,813)	(74,133)
Endowments	<u>(272,891)</u>	<u>(245,536)</u>
Net Financial Assets after Donor-Imposed Restrictions	2,997,578	2,871,959
Internal Designations:		
Board Designated Endowments	<u>(733,114)</u>	<u>(659,948)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 2,264,464</u>	<u>\$ 2,212,011</u>

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

Endowment funds consist of donor-restricted endowments 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. Although the Foundation does not intend to spend from the board-designated endowment (other than amounts appropriated for expenditure as part of the board's annual budget approval and appropriation), these amounts could be made available if necessary.

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NOTE 4 FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

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

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

Overall Investment Objective

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

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:

<u>August 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Assets Not Held at Fair Value</u>	<u>Total</u>
Assets:					
Investments:					
Exchange-Traded Funds	\$ 2,106,751	\$ -	\$ -	\$ -	\$ 2,106,751
Debt Securities	832,715	24,036	-	-	856,751
Cash	-	-	-	24,353	24,353
Total Investments	<u>\$ 2,939,466</u>	<u>\$ 24,036</u>	<u>\$ -</u>	<u>\$ 24,353</u>	<u>\$ 2,987,855</u>
<u>August 31, 2023</u>					
Assets:					
Investments:					
Exchange-Traded Funds	\$ 1,726,896	\$ -	\$ -	\$ -	\$ 1,726,896
Debt Securities	-	522,987	-	-	522,987
Cash	-	-	-	134,436	134,436
Total Investments	<u>\$ 1,726,896</u>	<u>\$ 522,987</u>	<u>\$ -</u>	<u>\$ 134,436</u>	<u>\$ 2,384,319</u>

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

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 \$204,916 and \$54,133, respectively. All contributions receivable are due within the next twelve 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.

NOTE 6 TRANSACTIONS WITH RELATED ENTITIES

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants and other miscellaneous revenues. During the years ended August 31, 2024 and 2023, respectively, the Foundation received \$112,815 and \$245,495 from these national revenue streams.

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 \$178,455 and \$189,201 were paid from the Foundation to the National Organization during the years ended August 31, 2024 and 2023, respectively.

Chapters who assist with the organization and granting of wishes from other chapters are paid a "fee for service" called the wish assist fee. Under this program, the originating chapter agrees to pay a fee to the chapter of the wish destination to assist with any planning, booking, and facilitating of the wish for the home chapter. Under this program, the Foundation received \$300 and \$1,500, respectively, for the years ended August 31, 2024 and 2023, which is recorded in the accompanying statements of activities as other income.

Chapters with capacity can grant wishes for peer chapters who are facing limitations to meet their local wish granting demand. These chapters providing the wish relief are paid an amount equivalent to the average cost of a wish. Under this program, the Foundation recorded revenue of \$12,000 and \$96,000 during the years ended August 31, 2024 and 2023, respectively, to facilitate the granting of wishes for other chapters.

The Foundation receives amounts from Make-A-Wish Northeast New York for management services. Amounts totaling \$36,000 and \$30,000 were received from Make-A-Wish Northeast New York during the years ended August 31, 2024 and 2023, respectively.

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NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

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

	2024	2023
Due from National Organization	\$ 13,549	\$ 82,422
Due from Other Chapters	61,649	19,682
Total Due from Related Entities	<u>\$ 75,198</u>	<u>\$ 102,104</u>
Due to National Organization	\$ 7,097	\$ 4,481
Due to Other Chapters	16,579	45,524
Total Due to Related Entities	<u>\$ 23,676</u>	<u>\$ 50,005</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 \$16,143 and \$32,500, respectively.

NOTE 7 PROPERTY AND EQUIPMENT, NET

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

	2024	2023
Computer Equipment and Software	\$ 19,456	\$ 18,587
Leasehold Improvements	42,536	42,536
Office Furniture and Other Equipment	84,179	69,616
Subtotal	146,171	130,739
Less: Accumulated Depreciation and Amortization	(64,199)	(38,492)
Construction in Progress	32,889	-
Property and Equipment, Net	<u>\$ 114,861</u>	<u>\$ 92,247</u>

Depreciation expense totaled \$26,337 and \$20,463, respectively, for the years ended August 31, 2024 and 2023.

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NOTE 8 NET ASSETS

Net Assets Without Donor Restrictions

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

	2024	2023
Board-Designated Endowment Funds - Wish Granting	\$ 733,114	\$ 659,948

Net Assets With Donor Restrictions

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

	2024	2023
Subject to Expenditure for Specified Purpose:		
Donated Rent	\$ 1,667	\$ -
Wish Granting	89,146	24,133
Total	90,813	24,133
Subject to Passage of Time:		
Cash Pledges	-	50,000
Total	-	50,000
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	87,141	59,786
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
Founders Endowment	60,750	60,750
Rose Endowment	125,000	125,000
Total	272,891	245,536
 Total Donor-Restricted Net Assets	 \$ 363,704	 \$ 319,669

NOTE 9 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 three individual funds established for a variety of purposes including both 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.

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NOTE 9 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law

The board of directors of the Foundation has interpreted the Vermont 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>			
Board-Designated Endowment Funds	\$ 733,114	\$ -	\$ 733,114
Donor-Restricted Endowment Funds	-	272,891	272,891
Total Funds	<u>\$ 733,114</u>	<u>\$ 272,891</u>	<u>\$ 1,006,005</u>
<u>August 31, 2023</u>			
Board-Designated Endowment Funds	\$ 659,948	\$ -	\$ 659,948
Donor-Restricted Endowment Funds	-	245,536	245,536
Total Funds	<u>\$ 659,948</u>	<u>\$ 245,536</u>	<u>\$ 905,484</u>

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NOTE 9 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>	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds - Beginning of Year	\$ 659,948	\$ 245,536	\$ 905,484
Investment Return:			
Investment Income	15,500	6,032	21,532
Net Appreciation (Realized and Unrealized)	83,453	31,294	114,747
Total Investment Return	98,953	37,326	136,279
Appropriation of Endowment Assets for Expenditure	(25,787)	(9,971)	(35,758)
Endowment Funds - End of Year	<u>\$ 733,114</u>	<u>\$ 272,891</u>	<u>\$ 1,006,005</u>
 <u>August 31, 2023</u>			
Endowment Funds - Beginning of Year	\$ 480,581	\$ 358,758	\$ 839,339
Investment Return:			
Investment Income	15,557	4,888	20,445
Net Appreciation (Realized and Unrealized)	40,980	12,490	53,470
Total Investment Return	56,537	17,378	73,915
Reclass of Funds	125,000	(125,000)	-
Appropriation of Endowment Assets for Expenditure	(2,170)	(5,600)	(7,770)
Endowment Net Assets - End of Year	<u>\$ 659,948</u>	<u>\$ 245,536</u>	<u>\$ 905,484</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 VERMONT
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NOTE 9 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(s). Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to achieve a total rate of return at least equal to the inflation rate (as defined by the Consumer Price Index) plus 3%. 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 3% to 5% 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 least equal to the inflation rate (as defined by the Consumer Price Index) plus 3%. 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 10 RETIREMENT PLAN

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan upon the employee date of hire. 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 5% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2024 and 2023 were \$8,272 and \$2,909, respectively.

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NOTE 11 CONCENTRATIONS

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

For the year ended August 31, 2023, one donor represented 20% 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. No single donor was greater than 10% of raised revenue for the year ended August 31, 2024.

For the years ended August 31, 2024 and 2023, two donors and one donor represent 90% and 92%, respectively, of the contributions receivable balance.

NOTE 12 LITIGATION AND CLAIMS

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

NOTE 13 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the years ended August 31, 2024 and 2023, the Foundation granted 29 and 37 wishes, respectively. As of August 31, 2024 and 2023, respectively, there were approximately 65 and 55 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2024 was \$11,173 in cash and \$4,793 in in-kind for a total cost of \$15,966. The average cost of a wish for the year ended August 31, 2023 was \$9,470 in cash and \$5,673 in in-kind for a total cost of \$15,143.

NOTE 14 RISKS AND UNCERTAINTIES

In December 2019, an outbreak of a novel strain of Coronavirus (COVID-19) began. On March 10, 2020, in conjunction with the Make-A-Wish America National Medical Advisory Council (NMAC), Make-A-Wish America issued instructions to pause travel and large gathering wishes until deemed medically safe for our vulnerable population and their families. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic.

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NOTE 14 RISKS AND UNCERTAINTIES (CONTINUED)

As of September 15, 2021, in consultation with the NMAC, the pause on domestic travel to large gatherings was lifted, if travel occurred by automobile. The pause on airline travel was lifted December 1, 2021 with a graduated approach with full domestic travel resuming June of 2022. Cruise wish travel resumed in June 2024 and international wish travel resumed effective September 1, 2024. Prior to fiscal year 2020, travel wishes have been approximately 71% of wishes granted and the number of granted wishes averaged approximately 37. The number of wishes granted during the years ended August 31, 2024 and 2023 was 29 and 37, respectively.

NOTE 15 MERGER WITH MAKE-A-WISH FOUNDATION OF NORTHEAST NEW YORK

In October 2023, the Foundation's board approved an intent to merge with Make-A-Wish Foundation of Northeast New York to combine resources to better serve children with critical illness in the region. The merger is effective as of March 1, 2025.

NOTE 16 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statements of financial position date through March 17, 2025, the date at which the financial statements were available to be issued.

