

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2025 AND 2024



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MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
TABLE OF CONTENTS
YEARS ENDED AUGUST 31, 2025 AND 2024

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

Board of Directors
Make-A-Wish Foundation® of New Jersey, Inc.
Monroe Township, New Jersey

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Make-A-Wish Foundation® of New Jersey, Inc. (a nonprofit organization), which comprise the statements of financial position as of August 31, 2025 and 2024, 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 New Jersey, Inc. as of August 31, 2025 and 2024, 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 New Jersey, Inc. and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Make-A-Wish Foundation® of New Jersey, Inc.'s ability to continue as a going concern for one year after the date the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Make-A-Wish Foundation® of New Jersey, Inc.'s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Make-A-Wish Foundation® of New Jersey, Inc.'s ability to continue as a going concern for a reasonable period of time.

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

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

King of Prussia, Pennsylvania
December 17, 2025

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	\$ 766,780	\$ 532,520
Investments	8,735,531	8,200,441
Due from Related Entities	314,707	235,279
Prepaid Expenses	34,208	54,115
Contributions Receivable, Net	639,893	1,628,053
Other Assets	58,286	72,048
Split-Interest Agreements	892,515	770,459
Investments Held for Long-Term Purposes	3,131,370	2,848,470
Right-of-Use Assets - Operating	9,340	14,126
Property and Equipment, Net	<u>6,549,809</u>	<u>6,598,380</u>
 Total Assets	 <u>\$ 21,132,439</u>	 <u>\$ 20,953,891</u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 741,306	\$ 1,001,572
Due to Related Entities	381,409	242,685
Lease Liability - Operating	9,340	14,126
Total Liabilities	<u>1,132,055</u>	<u>1,258,383</u>
NET ASSETS		
Without Donor Restrictions	15,423,699	15,421,282
With Donor Restrictions	<u>4,576,685</u>	<u>4,274,226</u>
Total Net Assets	<u>20,000,384</u>	<u>19,695,508</u>
 Total Liabilities and Net Assets	 <u>\$ 21,132,439</u>	 <u>\$ 20,953,891</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 6,107,343	\$ 137,235	\$ 6,244,578
Contributions, Donated Goods and Services	2,137,747	221,436	2,359,183
Grants	<u>502,531</u>	<u>250,000</u>	<u>752,531</u>
Total Public Support	<u>8,747,621</u>	<u>608,671</u>	<u>9,356,292</u>
Internal Special Events, Cash	1,104,614	-	1,104,614
Internal Special Events, Donated Goods and Services	31,504	-	31,504
Less: Costs of Direct Benefits to Donors	<u>(363,622)</u>	<u>-</u>	<u>(363,622)</u>
Total Internal Special Events	<u>772,496</u>	<u>-</u>	<u>772,496</u>
Investment Income, Net	638,981	211,273	850,254
Other Income	17,805	-	17,805
Net Assets Released from Restrictions	<u>570,533</u>	<u>(570,533)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>10,747,436</u>	<u>249,411</u>	<u>10,996,847</u>
EXPENSES			
Program Services:			
Wish Granting	<u>8,168,401</u>	<u>-</u>	<u>8,168,401</u>
Total Program Services	<u>8,168,401</u>	<u>-</u>	<u>8,168,401</u>
Support Services:			
Fundraising	<u>1,803,367</u>	<u>-</u>	<u>1,803,367</u>
Management and General	<u>773,251</u>	<u>-</u>	<u>773,251</u>
Total Support Services	<u>2,576,618</u>	<u>-</u>	<u>2,576,618</u>
Total Expenses	<u>10,745,019</u>	<u>-</u>	<u>10,745,019</u>
OTHER GAINS			
Change in Split Interest Agreements	<u>-</u>	<u>53,048</u>	<u>53,048</u>
Total Other Gains	<u>-</u>	<u>53,048</u>	<u>53,048</u>
CHANGE IN NET ASSETS			
Net Assets - Beginning of Year	<u>15,421,282</u>	<u>4,274,226</u>	<u>19,695,508</u>
NET ASSETS - END OF YEAR	<u>\$ 15,423,699</u>	<u>\$ 4,576,685</u>	<u>\$ 20,000,384</u>

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 6,245,815	\$ 28,019	\$ 6,273,834
Contributions, Donated Goods and Services	2,025,969	296,367	2,322,336
Grants	79,903	-	79,903
Total Public Support	<u>8,351,687</u>	<u>324,386</u>	<u>8,676,073</u>
Internal Special Events, Cash	988,721	-	988,721
Internal Special Events, Donated Goods and Services	79,638	-	79,638
Less: Costs of Direct Benefits to Donors	<u>(339,291)</u>	<u>-</u>	<u>(339,291)</u>
Total Internal Special Events	<u>729,068</u>	<u>-</u>	<u>729,068</u>
Investment Income, Net	1,064,895	263,229	1,328,124
Other Income	9,704	-	9,704
Net Assets Released from Restrictions	<u>513,799</u>	<u>(513,799)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>10,669,153</u>	<u>73,816</u>	<u>10,742,969</u>
EXPENSES			
Program Services:			
Wish Granting	8,308,963	-	8,308,963
Total Program Services	<u>8,308,963</u>	<u>-</u>	<u>8,308,963</u>
Support Services:			
Fundraising	1,635,013	-	1,635,013
Management and General	<u>1,017,805</u>	<u>-</u>	<u>1,017,805</u>
Total Support Services	<u>2,652,818</u>	<u>-</u>	<u>2,652,818</u>
Total Expenses	<u>10,961,781</u>	<u>-</u>	<u>10,961,781</u>
OTHER GAINS			
Change in Split Interest Agreements	-	102,017	102,017
Total Other Gains	<u>-</u>	<u>102,017</u>	<u>102,017</u>
CHANGE IN NET ASSETS			
	(292,628)	175,833	(116,795)
Net Assets - Beginning of Year	<u>15,713,910</u>	<u>4,098,393</u>	<u>19,812,303</u>
NET ASSETS - END OF YEAR	<u>\$ 15,421,282</u>	<u>\$ 4,274,226</u>	<u>\$ 19,695,508</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2025

	Program Services		Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Support Services			
Direct Costs of Wishes	\$ 5,242,127	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,242,127
Salaries, Taxes, and Benefits	1,609,594	949,661	542,458	1,492,119		-	3,101,713
Printing, Subscriptions, and Publications	10,305	81,931	4,092	86,023		-	96,328
Professional Fees	-	-	9,874	9,874		-	9,874
Rent and Utilities	155,619	58,250	17,490	75,740		-	231,359
Postage and Delivery	26,004	11,556	1,818	13,374		-	39,378
Travel	19,699	25,643	2,342	27,985		-	47,684
Meetings and Conferences	24,743	180,998	2,277	183,275		-	208,018
Office Supplies	50,715	103,601	14,999	118,600		-	169,315
Communications	16,102	10,910	4,942	15,852		-	31,954
Advertising and Media (Cash)	6,169	18,890	2,508	21,398		-	27,567
Advertising and Media (In-Kind)	-	148,228	-	148,228		-	148,228
Repairs and Maintenance	2,923	1,545	765	2,310		-	5,233
Insurance	4,392	983	1,264	2,247		-	6,639
Membership Dues	-	1,140	25	1,165		-	1,165
Grants and Scholarships	200,000	-	-	-		-	200,000
National Partnership Dues	478,554	86,406	99,699	186,105		-	664,659
Information Technology	7,927	4,742	26,546	31,288		-	39,215
Miscellaneous	28,708	27,226	11,461	38,687		-	67,395
Depreciation and Amortization	284,820	91,657	30,691	122,348		-	407,168
Special Event - Direct Donor Benefits	-	-	-	-	(363,622)	(363,622)	(363,622)
Total Expenses by Function	8,168,401	1,803,367	773,251	2,576,618	(363,622)	(363,622)	10,381,397
Less Expenses Netted Against Revenues on the Statement of Activities:	-	-	-	-	363,622	363,622	
Special Event Expenses							
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 8,168,401	\$ 1,803,367	\$ 773,251	\$ 2,576,618	\$ -	\$ -	\$ 10,745,019

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2024

	Program Services		Support Services			Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services			
Direct Costs of Wishes	\$ 5,789,910	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,789,910
Salaries, Taxes, and Benefits	1,572,029	819,954	791,421	1,611,375		-	3,183,404
Printing, Subscriptions, and Publications	9,865	64,995	8,340	73,335		-	83,200
Professional Fees	-	115	13,671	13,786		-	13,786
Rent and Utilities	120,795	42,610	13,672	56,282		-	177,077
Postage and Delivery	29,851	17,170	2,320	19,490		-	49,341
Travel	11,196	24,414	3,369	27,783		-	38,979
Meetings and Conferences	13,505	144,608	2,510	147,118		-	160,623
Office Supplies	47,267	54,038	17,019	71,057		-	118,324
Communications	18,870	10,367	8,977	19,344		-	38,214
Advertising and Media (Cash)	-	90,713	-	90,713		-	90,713
Advertising and Media (In-Kind)	-	184,106	-	184,106		-	184,106
Repairs and Maintenance	3,486	1,814	1,619	3,433		-	6,919
Insurance	3,926	1,088	588	1,676		-	5,602
Membership Dues	-	120	-	120		-	120
National Partnership Dues	368,998	66,625	76,875	143,500		-	512,498
Information Technology	7,118	5,363	30,168	35,531		-	42,649
Miscellaneous	28,105	30,603	15,061	45,664		-	73,769
Depreciation and Amortization	284,042	76,310	32,195	108,505		-	392,547
Special Event - Direct Donor Benefits	-	-	-	-	(339,291)		(339,291)
Total Expenses by Function	8,308,963	1,635,013	1,017,805	2,652,818	(339,291)		10,622,490
Less Expenses Netted Against Revenues on the Statement of Activities:							
Special Event Expenses	-	-	-	-	339,291		339,291
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 8,308,963	\$ 1,635,013	\$ 1,017,805	\$ 2,652,818	\$ -		\$ 10,961,781

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 304,876	\$ (116,795)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by (Used in) Operating Activities:		
Depreciation	407,168	392,547
Net Realized and Unrealized Gains on Investments	(511,887)	(1,072,873)
Contributed Property and Equipment	(45,700)	(30,000)
Contributed Split Interest Agreements	(69,008)	(33,637)
Change in Value of Split-Interest Agreements	(53,048)	(106,065)
(Increase) Decrease in Assets:		
Contributions Receivable	680,744	(271,494)
Due from Related Entities	(79,428)	178,414
Prepaid Expenses	19,907	12,640
Other Assets	13,762	(58,516)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	(260,266)	190,518
Due to Related Entities	138,724	(7,399)
Net Cash Provided (Used) by Operating Activities	<u>545,844</u>	<u>(922,660)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(2,525,235)	(2,064,662)
Proceeds from Sales of Investments	2,219,132	1,914,305
Purchases of Property and Equipment	(312,897)	(201,387)
Distribution of Split-Interest Agreements	-	4,050
Net Cash Used by Investing Activities	<u>(619,000)</u>	<u>(347,694)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted for Long-Term Investment	<u>307,416</u>	<u>50,000</u>
Net Cash Provided by Financing Activities	<u>307,416</u>	<u>50,000</u>
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	234,260	(1,220,354)
Cash and Cash Equivalents - Beginning of Year	<u>532,520</u>	<u>1,752,874</u>
CASH AND CASH EQUIVALENTS -		
END OF YEAR	<u>\$ 766,780</u>	<u>\$ 532,520</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Contributed Property and Equipment	<u>\$ 45,700</u>	<u>\$ 30,000</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024**

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of New Jersey, Inc. (the Foundation) is a New Jersey 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 NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

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.

Property and Equipment, Net

Property and equipment having a unit cost of greater than \$5,000 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 40 years. Land improvements are depreciated over the estimated useful life of the asset. 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 NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024**

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.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

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

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

Revenue Recognition

Revenue is recognized on the accrual basis and generally consists of contributions, special event revenue, in-kinds and other income.

An internal special event is a fundraising event coordinated and staffed by Foundation personnel rather than a third-party support group or organization. It is designed to attract people for the purpose of raising mission awareness, for increasing funding from existing donors, and the cultivation of future donors.

Special event revenue consists of registrations, sponsorships and other contributions. The exchange element of the special event revenue was approximately \$363,622 and \$339,291 for the years ended August 31, 2025 and 2024, 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.

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.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Conditional promises to give are not recognized as contribution revenue and receivables until the conditions have been substantially met.

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

Contributions: Donated Goods and Services

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

	2025	2024
Wish Related Travel, Goods, and Services	\$ 2,151,793	\$ 2,096,279
Professional Services	4,879	8,093
Special Events	31,504	79,638
Advertising	148,228	184,106
Property and Equipment	45,700	30,000
Other	8,583	3,858
Total Contributed Nonfinancial Assets and Services	\$ 2,390,687	\$ 2,401,974

Wish related travel, goods and other services are used in the wish granting program. The Foundation estimates the fair value of wish related travel, goods, and services on the basis of estimates of the current market rates for similar travel, goods and other services in the Foundation's market.

Professional services relate to donated legal services used for support services and are valued and reported at the estimated fair value based on current rates for similar services.

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

Property and equipment items donated consist of improvements to the building and were valued and reported at the estimated fair value based on current rates for similar services.

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.

**MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions: Donated Goods and Services (Continued)

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

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and New Jersey 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, 2025 and 2024. 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 NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

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 result could differ from those estimates.

Reclassifications

In preparing these financial statements, the prior year presentation has been reclassified to conform with the current year presentation. These reclassifications have no effect on the previously recorded net assets.

NOTE 3 LIQUIDITY AND AVAILABILITY

The Foundation monitors liquidity regularly through the monthly financial package provided to the board and through the enterprise-wide Benchmarks of Excellence. The Foundation strives to maintain liquid financial assets sufficient to cover six months of general expenditures, while also maximizing the investment of current and long-term investment funds. Holding 6 to 24 months of liquidity is considered excellent based off the enterprise-wide published scale.

The following table presents the calculation of financial assets available at August 31, 2025 and 2024 to meet cash needs for general expenditures within one year:

	<u>2025</u>	<u>2024</u>
Total Financial Assets	\$ 13,588,281	\$ 13,444,763
Donor-Imposed Restrictions:		
Restricted Funds	(1,445,314)	(1,533,173)
Endowments	<u>(3,131,371)</u>	<u>(2,741,053)</u>
Net Financial Assets after Donor-Imposed Restrictions	9,011,596	9,170,537
Internal Designations:		
Board-Designated Endowments	<u>(2,226,511)</u>	<u>(2,153,977)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 6,785,085</u>	<u>\$ 7,016,560</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.

**MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024**

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

The Foundation's endowment funds consist of donor-restricted endowments and funds designated by the board as an endowment. Income from donor-restricted endowments is restricted for program expenses and is subject to an annual spending rate of 5% as described in Note 12. Restricted funds represent contribution pledges outstanding for program and endowments in future years. Donor-restricted and endowment funds are not available for general expenditure.

The board-designated endowment of \$2,226,511 and \$2,153,977 as of August 31, 2025 and 2024, respectively, is also subject to an annual spending rate of 5% as described in Note 12. Although the Foundation does not intend to spend from this board-designated endowment, other than amounts appropriated for general expenditure as part of the board's annual budget approval and appropriation, this amount could be made available if necessary.

As part of the Foundation's liquidity management plan, cash in excess of daily requirements is invested in money market funds. If the need arises, investment reserves without donor restrictions could also be utilized for general expenditures, with the approval of the board. In addition to financial assets available to meet general expenditures within one year, the Foundation operates with a balanced budget and anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted resources.

The Foundation also has a \$1,000,000 line of credit available to meet short-term needs. See Note 9 for further information.

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, 2025 and 2024 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.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

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 Investment 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:

	Level 1	Level 2	Level 3	Total
August 31, 2025				
Investments:				
Mutual Funds	\$ 5,594,006	\$ -	\$ -	\$ 5,594,006
Equity Securities	4,209,748	-	-	4,209,748
Debt Securities	-	1,834,622	-	1,834,622
Cash	228,525	-	-	228,525
Total Investments	<u>10,032,279</u>	<u>1,834,622</u>	<u>-</u>	<u>11,866,901</u>
Split-Interest Agreements	-	-	892,515	892,515
Total Assets	<u>\$ 10,032,279</u>	<u>\$ 1,834,622</u>	<u>\$ 892,515</u>	<u>\$ 12,759,416</u>
August 31, 2024	Level 1	Level 2	Level 3	Total
Investments:				
Mutual Funds	\$ 5,305,721	\$ -	\$ -	\$ 5,305,721
Equity Securities	4,003,982	-	-	4,003,982
Debt Securities	-	1,739,208	-	1,739,208
Total Investments	<u>9,309,703</u>	<u>1,739,208</u>	<u>-</u>	<u>11,048,911</u>
Split-Interest Agreements	-	-	770,459	770,459
Total Assets	<u>\$ 9,309,703</u>	<u>\$ 1,739,208</u>	<u>\$ 770,459</u>	<u>\$ 11,819,370</u>

For the valuation of Debt Securities at August 31, 2025 and 2024, the Foundation used significant other observable inputs, particularly dealer market prices for comparable investments as of the valuation date (Level 2).

For the valuation of Split-Interest Agreements at August 31, 2025 and 2024, the Foundation used significant unobservable inputs such as present value of expected future amounts to be received.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

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

	<u>2025</u>	<u>2024</u>
Transfers In	\$ 69,008	\$ 33,637
Transfer Out	\$ -	\$ 4,050

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

Quantitative Information About Level 3 Fair Value Measurements			
Type of Assets	Fair Value at August 31, 2025	Principal Valuation Technique	Unobservable Inputs
Split-Interest Agreements	<u>\$ 892,515</u>	Fair Value of Assets	Time Period of Agreement
Type of Assets			
Split-Interest Agreements	<u>\$ 770,459</u>	Fair Value of Assets	Unobservable Inputs
			Time Period of Agreement

NOTE 5 CONTRIBUTIONS RECEIVABLE

There was no discount necessary as of August 31, 2025 and 2024. The following is a summary of the Foundation's contributions receivable at August 31:

	<u>2025</u>	<u>2024</u>
Total Amounts Due in:		
Within One Year	<u>\$ 756,582</u>	<u>\$ 1,778,780</u>
Gross Contributions Receivable	<u>756,582</u>	<u>1,778,780</u>
Less Allowance for Doubtful Accounts	<u>(116,689)</u>	<u>(150,727)</u>
Contributions Receivable, Net	<u>\$ 639,893</u>	<u>\$ 1,628,053</u>

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 6 SPLIT-INTEREST AGREEMENTS

Charitable Gift Annuities

Donors have contributed assets to the National Organization in exchange for a promise by the National Organization to pay a fixed amount for a specified period of time to the donor or to individuals designated by the donor. Under the terms of such agreements, no trust exists, as the assets received are held by and the liability is an obligation of the National Organization. The National Organization records contribution revenue using the fair value of the assets less the present value of the payments expected to be made to the beneficiaries. The Foundation is named as the beneficiary of thirteen of these agreements. Accordingly, contribution revenue with donor restrictions and the related assets are recognized at fair value in the period in which the Foundation received notice that the agreements convey unconditional rights to receive benefits. Subsequent changes in value of the underlying assets are recorded in the accompanying statement of activities as the change in value of split-interest agreements.

The Foundation's beneficial interest under split-interest agreements totaled \$892,515 and \$770,459 at August 31, 2025 and 2024, respectively. The Foundation was the recipient of additional gifts as of August 31, 2025 and 2024 valued at \$69,008 and \$33,637, respectively.

NOTE 7 TRANSACTIONS WITH RELATED ENTITIES

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, and other miscellaneous revenues. During the years ended August 31, 2025 and 2024, respectively, the Foundation received \$2,117,204 and \$1,875,176 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 \$664,659 and \$512,497 were paid from the Foundation to the National Organization during the years ended August 31, 2025 and 2024, respectively.

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 \$200,000 and \$-0- during the years ended August 31, 2025 and 2024, 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 \$14,725 and \$8,950, respectively, for the years ended August 31, 2025 and 2024, which is recorded in the accompanying statements of activities as other income.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 7 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

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

	2025	2024
Due from National Organization	\$ 262,606	\$ 210,551
Due from Other Chapters	52,101	24,728
Total Due from Related Entities	<u>\$ 314,707</u>	<u>\$ 235,279</u>
Due to National Organization	\$ 215,462	\$ 39,997
Due to Other Chapters	165,947	202,688
Total Due to Related Entities	<u>\$ 381,409</u>	<u>\$ 242,685</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, 2025 and 2024 the Foundation received contributions, both cash and in-kind, from board members totaling \$1,813 and \$13,790, respectively. At August 31, 2025 and 2024, amounts due from board members totaled \$3,300 and \$3,300, respectively, and are included in contributions receivable in the accompanying statements of financial position. Amounts paid to related parties for goods and services used in the Foundation's operations totaled \$6,852 and \$7,790 for the years ended August 31, 2025 and 2024, respectively.

NOTE 8 PROPERTY AND EQUIPMENT, NET

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

	2025	2024
Land	\$ 966,961	\$ 966,961
Buildings and Building Improvements	8,727,455	8,379,389
Computer Equipment and Software	210,815	200,286
Office Furniture	117,696	117,696
Other Equipment	551,282	551,282
Total	<u>10,574,209</u>	<u>10,215,614</u>
Less Accumulated Depreciation and Amortization	(4,024,400)	(3,617,234)
Property and Equipment, Net	<u>\$ 6,549,809</u>	<u>\$ 6,598,380</u>

Depreciation expense totaled \$407,168 and \$392,547, respectively for the years ended August 31, 2025 and 2024.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 9 REVOLVING LINE OF CREDIT

The Foundation has a secured, revolving line of credit with a financial institution totaling \$1,000,000, bearing interest at 7.25% and 8.25% at August 31, 2025 and 2024, respectively. Interest is calculated at prime rate (as published in *The Wall Street Journal*) less 0.25%, subject to an interest rate floor of 6.50% as of August 31, 2025 and 2024. The line of credit matures on March 31, 2026 and there was \$-0- outstanding on this line of credit as of August 31, 2025 and 2024. The line of credit is subject to various financial and nonfinancial covenants.

NOTE 10 LEASES

The Foundation leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2028.

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

	<u>2025</u>	<u>2024</u>
Lease Cost:		
Operating Lease Cost	<u>\$ 5,178</u>	<u>\$ 5,178</u>
Other Information:		
Cash Paid for Amounts included in the Measurement of Lease Liabilities		
Operating Cash Flows from Operating Leases	\$ 5,178	\$ 5,178
Weighted Average Remaining Lease Term - Operating Leases	1.9 Years	2.9 Years
Weighted-Average Discount Rate - Operating Leases	3.40%	3.40%

A maturity analysis of annual undiscounted cash flows for lease liabilities as of August 31, 2025, is as follows:

<u>Year Ending August 31</u>	<u>Operating Leases</u>
2026	\$ 5,178
2027	4,199
2028	250
Total Lease Payments	<u>9,627</u>
Less: Imputed Interest	<u>(287)</u>
Present Value of Lease Liabilities	<u>\$ 9,340</u>

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 11 NET ASSETS

Net Assets Without Donor Restrictions

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

	2025	2024
Board-Designated Endowment Funds	\$ 2,226,511	\$ 2,153,977
Total Board-Designated Net Assets	<u>\$ 2,226,511</u>	<u>\$ 2,153,977</u>

Net Assets With Donor Restrictions

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

	2025	2024
Subject to Expenditure for Specified Purpose:		
Pledges Outstanding for Program, Net of Discount	\$ 100,000	\$ 76,116
Pledges Outstanding for Endowment, Net of Discount	-	390,231
Pledge - Wish Granting In-Kind	221,436	330,004
Wish Equity Fund	265,000	-
Total	<u>586,436</u>	<u>796,351</u>
Subject to Passage of Time:		
Assets Held under Split Interest Agreements	892,515	770,459
Total	<u>892,515</u>	<u>770,459</u>
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	713,371	425,773
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
Endowment Fund - Program	1,608,000	1,608,000
Endowment Fund - Facilities	810,000	707,280
Total Endowments	<u>3,131,371</u>	<u>2,741,053</u>
Total Donor-Restricted Net Assets	<u>\$ 4,610,322</u>	<u>\$ 4,307,863</u>

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 12 ENDOWMENTS

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

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

Interpretation of Relevant Law

The Board of Directors of the Foundation has interpreted the New Jersey 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

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 12 ENDOWMENTS (CONTINUED)

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

	Without Donor Restrictions	With Donor Restrictions	Total
<u>August 31, 2025</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 3,131,371	\$ 3,131,371
Board-Designated Endowment Funds	2,226,511	-	2,226,511
Total Funds	\$ 2,226,511	\$ 3,131,371	\$ 5,357,882
<u>August 31, 2024</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 2,741,053	\$ 2,741,053
Board-Designated Endowment Funds	2,153,977	-	2,153,977
Total Funds	\$ 2,153,977	\$ 2,741,053	\$ 4,895,030

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

	Without Donor Restrictions	With Donor Restrictions	Total
<u>August 31, 2025</u>			
Endowment Funds - Beginning of Year	\$ 2,153,977	\$ 2,741,053	\$ 4,895,030
Investment Return, Net	173,027	211,273	384,300
Contributions	-	307,416	307,416
Appropriation of Endowment Asset for Expenditure	<u>(100,493)</u>	<u>(128,371)</u>	<u>(228,864)</u>
Endowment Funds - End of Year	<u>\$ 2,226,511</u>	<u>\$ 3,131,371</u>	<u>\$ 5,357,882</u>
<u>August 31, 2024</u>			
Endowment Funds - Beginning of Year	\$ 1,984,236	\$ 2,535,240	\$ 4,519,476
Investment Return, Net	169,741	263,229	432,970
Contributions	-	147,279	147,279
Appropriation of Endowment Asset for Expenditure	<u>-</u>	<u>(204,695)</u>	<u>(204,695)</u>
Endowment Funds - End of Year	<u>\$ 2,153,977</u>	<u>\$ 2,741,053</u>	<u>\$ 4,895,030</u>

**MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024**

NOTE 12 ENDOWMENTS (CONTINUED)

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, 2025 and 2024.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment fund(s) while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s) as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 6.5% 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 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 an average of 6.5% 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.

**MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024**

NOTE 13 RETIREMENT PLAN

The Foundation has a 403b defined contribution retirement plan which, upon approval of the board of directors, was frozen on December 31, 2015. Employees were eligible for participation as of their dates of employment and elected to defer a percentage of their salary subject to certain IRC limitations. The Foundation did not make any matching contributions to the 403b plan.

In August 2015, the Board of Directors approved a plan to adopt the Exensis Retirement Savings Plan (the Plan), the 401k defined contribution plan of its professional employer organization, which provides payroll and human resources services. This change occurred on January 1, 2016. Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of six months 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 4% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2025 and 2024 were \$53,191 and \$49,872, respectively.

NOTE 14 CONCENTRATIONS

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash, cash equivalents, and investments. Deposits at each financial institution are insured in limited amounts by the Federal Deposit Insurance Corporation (FDIC). The Foundation's cash and investments were placed with high credit quality financial institutions, and accordingly, the Foundation does not expect to experience nonperformance.

Contributions totaling \$1,396,666 and \$1,000,000 were received from a single donor, respectively, for the years ended August 31, 2025 and 2024, which represents 15% and 12% 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.

NOTE 15 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.

MAKE-A-WISH FOUNDATION® OF NEW JERSEY, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 16 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the years ending August 31, 2025 and 2024, the Foundation granted 409 and 479 wishes, respectively. As of August 31, 2025 and 2024, respectively, there were approximately 675 and 700 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2025 was \$7,706 in cash and \$4,906 in in-kind for a total cost of \$12,612. The average cost of a wish for the year ended August 31, 2024 was \$7,671 in cash and \$4,592 in in-kind for a total cost of \$12,263.

NOTE 17 SUBSEQUENT EVENTS

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



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