

MAKE-A-WISH FOUNDATION® OF ILLINOIS
FINANCIAL STATEMENTS
YEARS ENDED AUGUST 31, 2025 AND 2024



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

Board of Directors
Make-A-Wish Foundation® of Illinois
Chicago, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Illinois (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 Illinois 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 Illinois 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 Illinois' 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 Illinois' 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 Illinois' 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

Oak Brook, Illinois
December 26, 2025

MAKE-A-WISH FOUNDATION® OF ILLINOIS
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	\$ 3,516,483	\$ 4,553,214
Investments	6,406,626	6,841,570
Due from Related Entities	342,015	410,453
Prepaid Expenses	249,091	325,444
Contributions Receivable, Net	900,781	1,558,323
Other Assets	81,691	115,296
Investments Held for Long-Term Purposes	5,406,135	5,187,408
Right-of-Use Assets - Operating	889,555	1,024,182
Right-of-Use Assets - Financing	19,926	29,690
Property and Equipment, Net	<u>85,412</u>	<u>102,511</u>
Total Assets	<u><u>\$ 17,897,715</u></u>	<u><u>\$ 20,148,091</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 1,077,083	\$ 1,008,396
Due to Related Entities	158,933	217,422
Other Liabilities	8,000	-
Lease Liability - Operating	976,076	1,067,441
Lease Liability - Financing	<u>22,860</u>	<u>31,495</u>
Total Liabilities	<u>2,242,952</u>	<u>2,324,754</u>
NET ASSETS		
Without Donor Restrictions	9,342,497	11,077,631
With Donor Restrictions	<u>6,312,266</u>	<u>6,745,706</u>
Total Net Assets	<u><u>15,654,763</u></u>	<u><u>17,823,337</u></u>
Total Liabilities and Net Assets	<u><u>\$ 17,897,715</u></u>	<u><u>\$ 20,148,091</u></u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 6,448,445	\$ 204,852	\$ 6,653,297
Contributions, Donated Goods and Services	3,052,707	640,960	3,693,667
Grants	414,000	-	414,000
Total Public Support	<u>9,915,152</u>	<u>845,812</u>	<u>10,760,964</u>
Internal Special Events, Cash	3,629,675	30,500	3,660,175
Internal Special Events, Donated Goods and Services	7,000	-	7,000
Less: Costs of Direct Benefits to Donors	(944,806)	-	(944,806)
Less: Costs of Direct Benefits to Donors, Donated Goods and Services	(7,123)	-	(7,123)
Total Internal Special Events	<u>2,684,746</u>	<u>30,500</u>	<u>2,715,246</u>
Investment Income, Net	678,192	446,725	1,124,917
Other Income	7,275	-	7,275
Net Assets Released from Restrictions	<u>1,756,477</u>	<u>(1,756,477)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	15,041,842	(433,440)	14,608,402
EXPENSES			
Program Services:			
Wish Granting	11,863,722	-	11,863,722
Total Program Services	<u>11,863,722</u>	<u>-</u>	<u>11,863,722</u>
Support Services:			
Fundraising	2,248,514	-	2,248,514
Management and General	2,664,740	-	2,664,740
Total Support Services	<u>4,913,254</u>	<u>-</u>	<u>4,913,254</u>
Total Expenses	<u>16,776,976</u>	<u>-</u>	<u>16,776,976</u>
CHANGE IN NET ASSETS	(1,735,134)	(433,440)	(2,168,574)
Net Assets - Beginning of Year	<u>11,077,631</u>	<u>6,745,706</u>	<u>17,823,337</u>
NET ASSETS - END OF YEAR	<u>\$ 9,342,497</u>	<u>\$ 6,312,266</u>	<u>\$ 15,654,763</u>

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 5,969,889	\$ 334,991	\$ 6,304,880
Contributions, Donated Goods and Services	3,782,211	1,236,681	5,018,892
Grants	327,000	-	327,000
Total Public Support	<u>10,079,100</u>	<u>1,571,672</u>	<u>11,650,772</u>
Internal Special Events, Cash	3,587,143	125,932	3,713,075
Internal Special Events, Donated Goods and Services	10,391	-	10,391
Less: Costs of Direct Benefits to Donors	<u>(899,478)</u>	<u>-</u>	<u>(899,478)</u>
Total Internal Special Events	<u>2,698,056</u>	<u>125,932</u>	<u>2,823,988</u>
Investment Income, Net	1,315,139	677,104	1,992,243
Other Income	39,276	-	39,276
Net Assets Released from Restrictions	<u>1,076,621</u>	<u>(1,076,621)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	<u>15,208,192</u>	<u>1,298,087</u>	<u>16,506,279</u>
EXPENSES			
Program Services:			
Wish Granting	<u>12,423,926</u>	<u>-</u>	<u>12,423,926</u>
Total Program Services	<u>12,423,926</u>	<u>-</u>	<u>12,423,926</u>
Support Services:			
Fundraising	<u>1,956,730</u>	<u>-</u>	<u>1,956,730</u>
Management and General	<u>2,622,237</u>	<u>-</u>	<u>2,622,237</u>
Total Support Services	<u>4,578,967</u>	<u>-</u>	<u>4,578,967</u>
Total Expenses	<u>17,002,893</u>	<u>-</u>	<u>17,002,893</u>
OTHER LOSSES			
Losses on Sale of Equipment	<u>(303)</u>	<u>-</u>	<u>(303)</u>
Total Other Losses	<u>(303)</u>	<u>-</u>	<u>(303)</u>
CHANGE IN NET ASSETS			
	(1,795,004)	1,298,087	(496,917)
Net Assets - Beginning of Year	<u>12,872,635</u>	<u>5,447,619</u>	<u>18,320,254</u>
NET ASSETS - END OF YEAR	<u>\$ 11,077,631</u>	<u>\$ 6,745,706</u>	<u>\$ 17,823,337</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2025

	Program Services		Support Services		Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services		
Direct Costs of Wishes	\$ 8,877,179	\$ -	\$ -	\$ -	\$ -	\$ 8,877,179
Salaries, Taxes, and Benefits	1,412,634	1,332,820	1,981,105	3,313,925	-	4,726,559
Employee Benefits	193,571	138,009	183,068	321,077	-	514,648
Payroll Taxes	109,773	100,027	137,758	237,785	-	347,558
Professional Fees, Accounting	-	-	5,378	5,378	-	5,378
Professional Fees, Other	128,210	127,870	10,890	138,760	-	266,970
Printing, Subscriptions, and Publications	28,654	42,567	3,712	46,279	-	74,933
Occupancy	106,250	74,654	102,427	177,081	-	283,331
Postage and Delivery	41,355	22,272	-	22,272	-	63,627
Travel	16,075	26,065	1,541	27,606	-	43,681
Meetings and Conferences	35,536	42,985	13,815	56,800	-	92,336
Office Supplies	14,202	12,559	9,469	22,028	-	36,230
Communications	12,846	8,030	11,017	19,047	-	31,893
Advertising and Media (Cash)	33,159	2,148	-	2,148	-	35,307
Advertising and Media (In-Kind)	20,300	-	-	-	-	20,300
Repairs and Maintenance	5,173	8,438	4,986	13,424	-	18,597
Insurance	-	-	749	749	-	749
Membership Dues	1,792	491	349	840	-	2,632
Information Technology	33,759	55,297	26,707	82,004	-	115,763
Chapter Dues	641,624	150,971	150,971	301,942	-	943,566
Miscellaneous	133,421	35,896	3,243	39,139	-	172,560
Merchant Fees	-	54,620	-	54,620	-	54,620
Depreciation and Amortization	18,209	12,795	17,555	30,350	-	48,559
Special Event - Direct Donor Benefits	-	-	-	-	951,929	951,929
Total Expenses by Function	11,863,722	2,248,514	2,664,740	4,913,254	951,929	17,728,905
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(951,929)	(951,929)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 11,863,722	\$ 2,248,514	\$ 2,664,740	\$ 4,913,254	\$ -	\$ 16,776,976

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
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	\$ 9,453,603	\$ -	\$ -	\$ -	\$ -	\$ 9,453,603
Salaries, Taxes, and Benefits	1,425,891	1,182,725	1,947,484	3,130,209	-	4,556,100
Employee Benefits	157,866	108,961	174,188	283,149	-	441,015
Payroll Taxes	109,367	84,199	144,928	229,127	-	338,494
Professional Fees, Accounting	-	-	5,095	5,095	-	5,095
Professional Fees, Other	38,288	55,792	24,491	80,283	-	118,571
Printing, Subscriptions, and Publications	20,648	43,627	2,197	45,824	-	66,472
Occupancy	93,902	57,909	79,712	137,621	-	231,523
Postage and Delivery	42,526	14,376	170	14,546	-	57,072
Travel	15,410	27,491	1,712	29,203	-	44,613
Meetings and Conferences	26,807	25,328	8,029	33,357	-	60,164
Office Supplies	8,191	10,684	5,847	16,531	-	24,722
Communications	11,610	7,160	11,750	18,910	-	30,520
Advertising and Media (Cash)	174	1,107	-	1,107	-	1,281
Advertising and Media (In-Kind)	47,213	-	-	-	-	47,213
Repairs and Maintenance	7,384	8,064	4,488	12,552	-	19,936
Insurance	250	2,000	-	2,000	-	2,250
Membership Dues	856	1,539	-	1,539	-	2,395
Information Technology	33,026	54,745	30,724	85,469	-	118,495
Chapter Dues	789,600	180,480	157,920	338,400	-	1,128,000
Miscellaneous	126,913	26,675	8,928	35,603	-	162,516
Merchant Fees	-	54,987	-	54,987	-	54,987
Depreciation and Amortization	14,401	8,881	14,574	23,455	-	37,856
Special Event - Direct Donor Benefits	-	-	-	-	899,478	899,478
Total Expenses by Function	12,423,926	1,956,730	2,622,237	4,578,967	899,478	17,902,371
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(899,478)	(899,478)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 12,423,926	\$ 1,956,730	\$ 2,622,237	\$ 4,578,967	\$ -	\$ 17,002,893

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
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	\$ (2,168,574)	\$ (496,917)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Used by Operating Activities:		
Depreciation and Amortization	48,559	37,856
Amortization of Right-of-Use Asset, Financing Lease	9,764	6,918
Credit Loss Expense and Other	(3,040)	(130)
Contributions Restricted for Long-Term Investment	-	(200,000)
Net Realized and Unrealized Gains on Investments	(708,811)	(1,448,334)
Loss on Disposal of Property and Equipment	-	303
Change in Discount to Present Value of Contributions Receivable	348	(149)
Change in Operating Right-of-Use Assets and Lease Liabilities	43,262	27,196
(Increase) Decrease in Assets:		
Contributions Receivable	660,234	(647,496)
Due from Related Entities	68,438	(36,126)
Prepaid Expenses	76,353	(94,056)
Other Assets	33,605	(70,476)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	68,687	(78,036)
Due to Related Entities	(58,489)	(61,427)
Other Liabilities	8,000	-
Net Cash Used by Operating Activities	<u>(1,921,664)</u>	<u>(3,060,874)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(303,572)	(455,517)
Proceeds from Sales of Investments	1,228,600	227,000
Purchases of Property and Equipment	(31,460)	(89,908)
Proceeds from Sale of Property and Equipment	-	9,890
Net Cash Provided (Used) by Investing Activities	<u>893,568</u>	<u>(308,535)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Contributions Restricted for Long-Term Investment	-	200,000
Principal Payments on Financing Lease Obligations	(8,635)	(5,113)
Net Cash Provided (Used) by Financing Activities	<u>(8,635)</u>	<u>194,887</u>
NET DECREASE IN CASH AND CASH EQUIVALENTS	(1,036,731)	(3,174,522)
Cash and Cash Equivalents - Beginning of Year	<u>4,553,214</u>	<u>7,727,736</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u>\$ 3,516,483</u>	<u>\$ 4,553,214</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
STATEMENTS OF CASH FLOWS (CONTINUED)
YEARS ENDED AUGUST 31, 2025 AND 2024

SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION	2025	2024
Cash Paid for Interest Expense	<u>\$ 5,323</u>	<u>\$ 4,791</u>
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	<u>\$ -</u>	<u>\$ 1,085,674</u>
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	<u>\$ -</u>	<u>\$ 36,608</u>
In-Kind Contributions	<u>\$ 3,693,544</u>	<u>\$ 5,418,990</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Illinois (the Foundation) is an Illinois 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.

The Foundation granted its first wish in 1985 and has granted a total of 19,426 wishes through August 31, 2025. For the years ended August 31, 2025 and 2024, the Foundation granted 709 and 790 wishes, respectively.

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 ILLINOIS
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 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 \$1,000 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 5 years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the leases. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

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

MAKE-A-WISH FOUNDATION® OF ILLINOIS
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 had designated, from net assets without donor restrictions, net assets for an operating reserve to fund wishes that had been postponed due to the COVID-19 pandemic.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
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-kind 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 \$952,000 and \$899,000 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.

The Foundation receives auction items to be sold at its special events. Contributed auction items are valued at the gross selling price received and the value is included in internal special event revenue on the statement of activities. The amount of auction items received and sold during the years ended August 31, 2025 and 2024 totaled approximately \$555,000 and \$390,000, respectively.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

Unconditional promises to give are recognized initially at fair value as contributions revenue in the period such promises are made by donors. Fair value is estimated giving consideration to anticipated future cash receipts (after allowance is made for uncollectible contributions) and discounting such amounts at a risk-adjusted rate commensurate with the duration of the donor's payment plan. Amortization of the discounts is recorded as additional contributions revenue.

Conditional promises to give are not recognized as contribution revenue and receivables until the conditions have been substantially met. Conditional promises outstanding for the years ended August 31, 2025 and 2024 were \$2,500,000 and \$-0-, respectively.

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	\$ 4,045,602	\$ 4,205,982
Professional Services	135,147	6,000
Rent	-	26,000
Other	146,361	89,210
Contributions Receivable, Net Change	(641,949)	592,324
Advertising and Media	20,300	47,213
Special Events	(123)	10,391
Property and Equipment	1,140	29,886
Other Assets, Net Change	<u>(12,934)</u>	<u>22,277</u>
Total Contributed Nonfinancial Assets and Services	\$ 3,693,544	\$ 5,029,283

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.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions: Donated Goods and Services (Continued)

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.

Professional services relate to video production and are valued and reported at the estimated fair value based on current rates for similar services.

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

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

Other asset items donated consist primarily of toys, event tickets, and other items to enhance wish experiences and are reported at the fair value of these items based on current market rates for similar items in the Foundation's market.

Property and equipment items donated consist of technology equipment for employee use and were valued using the fair value of these items based on current market rates for similar items in the Foundation's market.

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

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and Illinois taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (IRC) and Section 205 of the Illinois Revenue and Taxation Code. However, the Foundation remains subject to income taxes on any net income that is derived from a trade or business, regularly carried on and not in furtherance of the purpose for which it was granted exemption. No income tax provision has been recorded as the net income, if any, from any unrelated trade or business, in the opinion of management, is not material to the financial statements taken as a whole.

**MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes (Continued)

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.

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.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
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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.

	2025	2024
Total Financial Assets	\$ 16,572,040	\$ 18,550,968
Donor-Imposed Restrictions:		
Investments	(5,406,135)	(5,187,408)
Contributions Receivable, Net	<u>(900,781)</u>	<u>(1,558,323)</u>
Net Financial Assets after Donor-Imposed Restrictions	10,265,124	11,805,237
Internal Designations:		
Board-Designated Endowments	<u>-</u>	<u>(1,916,046)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 10,265,124</u>	<u>\$ 9,889,191</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 as described in Note 9, with the exception of the amounts available for general use. Donor-restricted endowment funds are not available for general expenditure.

The Foundation has established two board-designated funds. The Foundation's unrestricted Board-Designated Fund (Board Fund) serves primarily as an operating reserve to support operating cash needs. The Foundation's policy is to maintain a minimum of three months of reserves with the Board Fund and commercial operating cash account. Spending from the Board Fund is based on amounts appropriated for expenditure as part of the Board's annual budget approval and appropriation. Amounts appropriated can be to support the annual operating budget or to support strategic plan initiatives that will lead to step-change improvement in wish growth.

Occasionally, the Board designates a portion of any operating surplus to its operating reserve, which may include significant planned gifts. The portion of operating surplus in its operating reserve was \$-0- and \$1,916,046 as of August 31, 2025 and 2024, respectively.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

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 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 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 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. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

Investments

Overall Investment Objective

The overall investment objective of the Foundation is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation. The Foundation diversifies its investments among various asset classes. Major investment decisions are authorized by the Board's 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, except those measured at cost as a practical expedient, at August 31:

				Assets Not Held at Fair Value	Total
	Level 1	Level 2	Level 3		
<u>August 31, 2025</u>					
Assets					
Investments:					
Mutual Funds	\$ 5,437,396	\$ -	\$ -	\$ -	\$ 5,437,396
Cash	-	-	-	969,230	969,230
Total Investments	<u>5,437,396</u>	<u>-</u>	<u>-</u>	<u>969,230</u>	<u>6,406,626</u>
Investments Held for Long-Term Purposes:					
Mutual Funds	5,390,547	-	-	-	5,390,547
Cash	-	-	-	15,588	15,588
Total Investments	<u>5,390,547</u>	<u>-</u>	<u>-</u>	<u>15,588</u>	<u>5,406,135</u>
Total Assets	<u><u>\$ 10,827,943</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 984,818</u></u>	<u><u>\$ 11,812,761</u></u>

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

<u>August 31, 2024</u>	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
Assets					
Investments:					
Mutual Funds	\$ 6,820,645	\$ -	\$ -	\$ -	\$ 6,820,645
Cash	-	-	-	20,925	20,925
Total Investments	<u>6,820,645</u>	<u>-</u>	<u>-</u>	<u>20,925</u>	<u>6,841,570</u>
Investments Held for Long-Term Purposes:					
Mutual Funds	5,165,634	-	-	-	5,165,634
Cash	-	-	-	21,774	21,774
Total Investments	<u>5,165,634</u>	<u>-</u>	<u>-</u>	<u>21,774</u>	<u>5,187,408</u>
Total Assets	<u>\$ 11,986,279</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 42,699</u>	<u>\$ 12,028,978</u>

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at rates ranging from 0.04% to 4.32% at August 31, 2025 and 2024. The following is a summary of the Foundation's contributions receivable at August 31:

	2025	2024
Total Amounts Due in:		
Within One Year	\$ 895,884	\$ 1,537,118
One to Five Years	<u>6,000</u>	<u>25,000</u>
Gross Contributions Receivable	901,884	1,562,118
Less: Allowance for Doubtful Accounts	(750)	(3,790)
Less: Discount to Present Value	(353)	(5)
Contributions Receivable, Net	<u>\$ 900,781</u>	<u>\$ 1,558,323</u>

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, 2025 and 2024, respectively, the Foundation received \$2,253,812 and \$2,478,851 from these national revenue streams.

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NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

Conversely, the Foundation pays amounts to the National Organization for chapter dues, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amount totaling \$1,043,144 and \$1,231,862 were paid from the Foundation to the National Organization 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 \$7,275 and \$4,300, respectively, for the years ended August 31, 2025 and 2024, which is recorded in the accompanying statements of activities as other income.

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

	2025	2024
Due from National Organization	\$ 322,462	\$ 393,222
Due from Other Chapters	19,553	17,231
Total Due from Related Entities	<u>\$ 342,015</u>	<u>\$ 410,453</u>
Due to National Organization	\$ 43,255	\$ 28,399
Due to Other Chapters	115,678	189,023
Total Due to Related Entities	<u>\$ 158,933</u>	<u>\$ 217,422</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 \$1,325,628 and \$953,330, respectively. At August 31, 2025 and 2024, amounts due from Board members totaled \$55,000 and \$109,504, respectively, and are included in contributions receivable in the accompanying statements of financial position.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 7 PROPERTY AND EQUIPMENT, NET

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

	2025	2024
Computer Equipment and Software	\$ 218,440	\$ 188,119
Office Furniture	47,807	46,667
Leasehold Improvements	7,360	7,360
Total	273,607	242,146
Less: Accumulated Depreciation and Amortization	(188,195)	(139,635)
Property and Equipment, Net	<u>\$ 85,412</u>	<u>\$ 102,511</u>

Depreciation expense totaled \$48,559 and \$37,856, respectively for the years ended August 31, 2025 and 2024.

NOTE 8 LEASES

The Foundation leases certain office facilities and equipment for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2031.

The following tables provide quantitative information concerning the Foundation's leases:

	2025	2024
Lease Cost:		
Financing Lease Cost:		
Amortization of Right-of-Use Assets	\$ 9,765	\$ 6,918
Interest on Lease Liabilities	5,322	4,791
Operating Lease Cost	175,799	169,763
Short-Term Lease Cost	-	26,000
Total Lease Cost	<u>\$ 190,886</u>	<u>\$ 181,472</u>
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Financing Leases	\$ 5,323	\$ 4,791
Operating Cash Flows from Operating Leases	132,537	128,794
Financing Cash Flows from Financing Leases	8,635	5,113
Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities	\$ -	\$ 36,608
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ -	\$ 1,085,674
Weighted-Average Remaining Leases Term - Financing Leases	2.6 Years	3.4 Years
Weighted Average Remaining Lease Term - Operating Leases	6.0 Years	6.9 Years
Weighted-Average Discount Rate - Financing Leases	18.30%	19.27%
Weighted-Average Discount Rate - Operating Leases	4.02%	4.02%

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
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NOTE 8 LEASES (CONTINUED)

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>	<u>Financing Leases</u>
2026	\$ 176,688	\$ 13,958
2027	176,205	6,646
2028	180,632	5,184
2029	185,135	2,592
2030	189,760	-
Thereafter	194,494	-
Total Lease Payments	1,102,914	28,380
Less: Imputed Interest	126,838	5,520
Present Value of Lease Liabilities	<u>\$ 976,076</u>	<u>\$ 22,860</u>

NOTE 9 NET ASSETS

Net Assets Without Donor Restrictions

At August 31, 2025 and 2024, net assets without donor restrictions includes a board-designated fund of \$6,406,626 and \$6,841,570, respectively, that serves primarily as an operating reserve to support operating cash needs.

In addition, the Foundation received a substantial bequest during the year ended August 31, 2021, without any donor-imposed restriction. At that time, the board-designated \$2,400,000 of this bequest to fund wishes that have been delayed by the COVID-19 pandemic once these wishes can be granted, of which the balance remaining is \$-0- and \$1,916,046 as of August 31, 2025 and 2024, respectively.

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NOTE 9 NET ASSETS (CONTINUED)

Net Assets With Donor Restrictions

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

	<u>2025</u>	<u>2024</u>
Subject to Expenditure for Specified Purpose:		
In-Kind - Unconditional Promise to Give	\$ 594,732	\$ 1,236,681
Subject to Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	311,399	321,615
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	1,228,420	1,009,695
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
Wish Granting	3,677,715	3,677,715
Medical Outreach	500,000	500,000
Total Endowments	<u>5,406,135</u>	<u>5,187,410</u>
Total Donor-Restricted Net Assets	<u><u>\$ 6,312,266</u></u>	<u><u>\$ 6,745,706</u></u>

NOTE 10 ENDOWMENTS

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

The Foundation's endowment consists of four 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 Illinois 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.

MAKE-A-WISH FOUNDATION® OF ILLINOIS
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 10 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

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, 2025 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 4,177,715	\$ 4,177,715
Accumulated Investment Gains	- -	1,228,420	1,228,420
Total Funds	\$ -	\$ 5,406,135	\$ 5,406,135

Endowment fund composition by type of fund as of August 31, 2024 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total
Donor-Restricted Endowment Funds	\$ -	\$ 4,177,715	\$ 4,177,715
Accumulated Investment Gains	- -	1,009,695	1,009,695
Total Funds	\$ -	\$ 5,187,410	\$ 5,187,410

MAKE-A-WISH FOUNDATION® OF ILLINOIS
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NOTE 10 ENDOWMENTS (CONTINUED)

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

August 31, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds - Beginning of Year	\$ -	\$ 5,187,410	\$ 5,187,410
Investment Return:			
Investment Income	- -	159,298	159,298
Net Appreciation (Realized and Unrealized)	- -	287,427	287,427
Total Investment Return	- -	446,725	446,725
Appropriation of Endowment Asset for Expenditure	- -	(228,000)	(228,000)
Endowment Funds - End of Year	<u>\$ -</u>	<u>\$ 5,406,135</u>	<u>\$ 5,406,135</u>
August 31, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds - Beginning of Year	\$ -	\$ 4,537,098	\$ 4,537,098
Investment Return:			
Investment Income	- -	152,788	152,788
Net Appreciation (Realized and Unrealized)	- -	524,316	524,316
Total Investment Return	- -	677,104	677,104
Contributions	- -	200,208	200,208
Appropriation of Endowment Asset for Expenditure	- -	(227,000)	(227,000)
Endowment Funds - End of Year	<u>\$ -</u>	<u>\$ 5,187,410</u>	<u>\$ 5,187,410</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, 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.

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NOTE 10 ENDOWMENTS (CONTINUED)

Return Objectives and Risk Parameters (Continued)

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 a blended benchmark of U.S. and other world indices, as applicable, for different asset classes 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 5-7% 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 between 3% and 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 5-7% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

NOTE 11 RETIREMENT PLAN

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of 90 days 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 \$0.25 for every dollar contributed up to 6% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2025 and 2024 were \$40,160 and \$42,545, respectively.

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NOTE 12 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. 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 \$2,071,188 and \$2,422,557 were received from a single donor, respectively, for the years ended August 31, 2025 and 2024, which represents 14% and 26%, respectively, of raised revenue which consists of total public support and gross internal special event revenue. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 13 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the years ended August 31, 2025 and 2024, the Foundation granted 709 and 790 wishes, respectively. As of August 31, 2025 and 2024, there were approximately 1,100 and 1,300 wish children, respectively, who are eligible for a wish. The average cost of a wish for the year ended August 31, 2025 was \$6,778 in cash and \$5,720 in in-kind for a total cost of \$12,498. The average cost of a wish for the year ended August 31, 2024 was \$6,670 in cash and \$5,317 in in-kind for a total cost of \$11,987.

NOTE 14 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through December 26, 2025, the date at which the financial statements were available to be issued.



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Board of Directors
Make-A-Wish Foundation® of Illinois
Chicago, Illinois

We have audited the financial statements of Make-A-Wish Foundation® of Illinois (the Foundation) as of and for the year ended August 31, 2025, and have issued our report thereon dated December 26, 2025. We have previously communicated to you information about our responsibilities under auditing standards generally accepted in the United States of America, as well as certain information related to the planned scope and timing of our audit in our planning presentation dated August 11, 2025. Professional standards also require that we communicate to you the following information related to our audit.

Significant audit findings or issues

Qualitative aspects of accounting practices

Accounting policies

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Foundation are described in Note 2 to the financial statements.

No new accounting policies were adopted and the application of existing policies was not changed during 2025.

We noted no transactions entered into by the Foundation during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There were no accounting estimates affecting the financial statements which were particularly sensitive or required substantial judgments by management.

Financial statement disclosures

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. There were no particularly sensitive financial statement disclosures.

The financial statement disclosures are neutral, consistent, and clear.

Significant unusual transactions

We identified no significant unusual transactions.

Difficulties encountered in performing the audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Uncorrected misstatements

Professional standards require us to accumulate all misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has determined that the effects of an uncorrected misstatement is immaterial to the financial statements taken as a whole. The following summarizes the uncorrected misstatement of the financial statements:

- In our expanded review of wish costs performed after errors were noted and corrected (as described below in Corrected Misstatements section), several wishes were identified that were missing in-kind costs. The costs were recorded within FY26 instead of FY25 when the related wishes were granted. Given there is no impact to current year change in net assets related to these missing costs, management determined to pass on recording an entry and will recognize the costs in FY26 as recorded. This results in an understatement of current year in-kind revenue and expense of \$73,608.

Uncorrected misstatements or the matters underlying uncorrected misstatements could potentially cause future-period financial statements to be materially misstated, even if management has concluded that the uncorrected misstatements are immaterial to the financial statements under audit.

Corrected misstatements

The following misstatements detected as a result of audit procedures were corrected by management:

- In our testing of the in-kind receivable for confirmed Disney World wishes as of August 31, 2025, we noted there were several wishes included that had not been confirmed until after year-end. An entry was proposed to reduce the in-kind contributions receivable balance and related revenue. The total impact was a decrease in current year change in net assets of \$75,696.
- In our review of wish costs, several wishes were identified that were missing in-kind costs. Management provided an entry to recognize the additional in-kind revenue and expense for these wishes. There was no impact to current year change in net assets, but expense and revenue each increased by \$46,227 as a result of this entry.

Disagreements with management

For purposes of this communication, a disagreement with management is a disagreement on a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditors' report. No such disagreements arose during our audit.

Management representations

We have requested certain representations from management that are included in the attached management representation letter dated December 26, 2025.

Management consultations with other independent accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Foundation's financial statements or a determination of the type of auditors' opinion that may be expressed on those statements, our professional standards require the

consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Significant issues discussed with management prior to engagement

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to engagement as the Foundation's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our engagement.

* * *

This communication is intended solely for the information and use of the board of directors and management of Make-A-Wish Foundation® of Illinois and is not intended to be, and should not be, used by anyone other than these specified parties.



CliftonLarsonAllen LLP

Oak Brook, Illinois
December 26, 2025

December 26, 2025

CliftonLarsonAllen LLP
2021 Spring Road, Suite 200
Oak Brook, IL 60523

This representation letter is provided in connection with your audit of the financial statements of Make-A-Wish Foundation® of Illinois (the Foundation), 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, for the purpose of expressing an opinion on whether the financial statements are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to misstatements that are material. Misstatements, including omissions, 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.

We confirm, to the best of our knowledge and belief, as of December 26, 2025, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement agreement dated August 11, 2025, for the preparation and fair presentation of the financial statements in accordance with U.S. GAAP.
- We acknowledge and have fulfilled our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control over the receipt and recording of contributions.
- Methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures, including those measured at fair value, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in accordance with U.S. GAAP.
- Significant estimates have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP. Significant estimates are estimates at the financial statement date that could change materially within the next year.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

December 26, 2025
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- All events occurring subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of an uncorrected misstatement is immaterial to the financial statements as a whole:
 - Wishes were identified that were missing in-kind costs. The costs were recorded within FY26 instead of FY25 when the related wishes were granted. Given there is no impact to current year change in net assets related to these missing costs, we determined to pass on recording an entry and will recognize the costs in FY26 as recorded. This results in an understatement of current year in-kind revenue and expense of \$73,608.
- You have proposed adjusting journal entries that have been posted to the entity's accounts. We have reviewed and approved those adjusting journal entries and understand the nature of the changes and their impact on the financial statements. We are in agreement with those adjustments and accept responsibility for them.
- We are not aware of any pending or threatened litigation, claims, or assessments or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- Material concentrations have been properly disclosed in accordance with U.S. GAAP. Concentrations refer to individual or group concentrations of contributors, grantors, clients, customers, suppliers, lenders, products, services, fund-raising events, sources of labor or materials, licenses or other rights, or operating areas or markets for which events could occur that would significantly disrupt normal finances within the next year.
- Receivables recorded in the financial statements represent valid claims against debtors for sales or other charges arising on or before the financial statement date, and the carrying amounts of those receivables and related allowances are determined in accordance with U.S. GAAP.
- Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar arrangements have been properly disclosed.
- We have analyzed all lease contracts and have considered and recorded material embedded leases contained within other contracts in accordance with U.S. GAAP.
- There are no loans to executive officers.
- There are no agreements to repurchase assets previously sold.
- We have no plans or intentions that may materially affect the carrying value or classification of assets, liabilities, or net asset balances.
- We have reviewed long-lived assets and certain identifiable intangibles to be held and used for impairment whenever events or changes in circumstances have indicated that the carrying amount of assets might not be recoverable and, when necessary, have appropriately recorded the adjustment.

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- Designations of net assets, or reclassifications of net assets, have been properly authorized, approved, and reflected in the financial statements.
- The cost allocation methods used to allocate the Foundation's expenses to the appropriate functional classification as program services, management and general, and fundraising are properly supported by the Foundation's books and records. The cost allocation methods used are rational, systematic, and consistently applied. The bases used for allocation of functional expenses are reasonable.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware, that is relevant to the preparation and fair presentation of the financial statements such as records (including information obtained from within and outside of the general and subsidiary ledgers), documentation, and other matters.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the Foundation from whom you determined it necessary to obtain audit evidence.
 - Complete minutes of the meetings of the governing board and related committees, or summaries of actions of recent meetings for which minutes have not yet been prepared.
- There have been no communications from regulatory agencies concerning noncompliance with, or deficiencies in, financial reporting practices.
- All material transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others when the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, grantors, regulators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations and provisions of contracts and grant agreements, or abuse whose effects should be considered when preparing financial statements.

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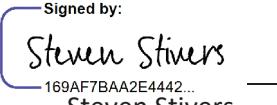
- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments, that are required to be accrued or disclosed in the financial statements in accordance with U.S. GAAP, and we have not consulted a lawyer concerning litigation, claims, or assessments.
- There are no other material liabilities or gain or loss contingencies that are required to be accrued or disclosed in accordance with U.S. GAAP.
- We have disclosed to you the identity of all the Foundation's related parties and all the related-party relationships and transactions of which we are aware, including any side agreements.
- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets, nor has any asset been pledged as collateral, except as made known to you and disclosed in the financial statements.
- We are responsible for compliance with the laws, regulations, and provisions of contracts and grant agreements applicable to Make-A-Wish Foundation® of Illinois; and we have identified and disclosed to you all laws, regulations, and provisions of contracts and grant agreements that we believe have a direct and material effect on the determination of financial statement amounts or other financial data significant to the audit objectives.
- We have complied with all restrictions on resources (including donor restrictions) and all aspects of contractual and grant agreements that would have a material effect on the financial statements in the event of noncompliance. This includes complying with donor requirements to maintain a specific asset composition necessary to satisfy their restrictions.
- We have fully disclosed to you all terms of contracts with customers that affect the amount and timing of revenue recognized in the financial statements, including delivery terms, rights of return or price adjustments, side agreements, implicit provisions, unstated customary business practices, and all warranty provisions.
- Make-A-Wish Foundation® of Illinois is an exempt organization under Section 501(c)(3) of the Internal Revenue Code. Any activities of which we are aware that would jeopardize the Foundation's tax-exempt status, and all activities subject to tax on unrelated business income or excise or other tax, have been disclosed to you. All required filings with tax authorities are up-to-date.
- Our interpretation of the laws governing restrictions on net appreciation of donor-restricted endowments is based on the Uniform Prudent Management of Institutional Funds Act. Consequently, all unappropriated endowment fund earnings are considered with donor restrictions until authorized by the board or the spending rate policy.

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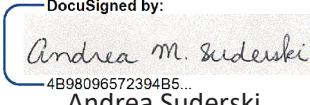
- In regards to the nonattest services performed by you, including drafting financial statements, adjusting journal entries and tax return preparation, we have:
 - a. Made all management judgments and decisions and assumed all management responsibilities.
 - b. Designated an individual who possesses suitable skill, knowledge, and/or experience to understand and oversee the services.
 - c. Evaluated the adequacy and results of the services performed.
 - d. Accepted responsibility for the results of the services.
 - e. Ensured that the Foundation's data and records are complete and received sufficient information to oversee the services.

Signed by:
Signature: 
D58342A07DD046F...
Stephanie Springs

Title: CEO

Signed by:
Signature: 
169AF7BAA2E4442...
Steven Stivers

Title: COO

DocuSigned by:
Signature: 
4B98096572394B5...
Andrea Suderski

Title: Senior Director of Finance