

**MAKE-A-WISH FOUNDATION® OF  
MISSISSIPPI CHARTERED**

**FINANCIAL STATEMENTS**

**YEARS ENDED AUGUST 31, 2025 AND 2024**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Mississippi Chartered  
Ridgeland, Mississippi

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the financial statements of Make-A-Wish Foundation® of Mississippi Chartered (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 accompanying financial statements present fairly, in all material respects, the financial position of Make-A-Wish Foundation® of Mississippi Chartered 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 Mississippi Chartered 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 Mississippi Chartered'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 Mississippi Chartered'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 Mississippi Chartered'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**

Lakeland, Florida  
January 28, 2026

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

	<u>2025</u>	<u>2024</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 3,056,356	\$ 1,827,550
Investments	3,250,047	2,579,680
Due from Related Entities	60,847	44,452
Prepaid Expenses	61,375	58,088
Contributions Receivable, Net	240,783	349,764
Right-of-Use Assets - Operating	<u>210,435</u>	<u>275,600</u>
 Total Assets	 <u>\$ 6,879,843</u>	 <u>\$ 5,135,134</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 205,246	\$ 200,479
Due to Related Entities	21,916	45,257
Lease Liability - Operating	217,663	285,237
Lease Liability - Financing	<u>6,355</u>	<u>9,995</u>
 Total Liabilities	 451,180	 540,968
<b>NET ASSETS</b>		
Without Donor Restrictions	6,047,447	4,323,708
With Donor Restrictions	<u>381,216</u>	<u>270,458</u>
Total Net Assets	<u>6,428,663</u>	<u>4,594,166</u>
 Total Liabilities and Net Assets	 <u>\$ 6,879,843</u>	 <u>\$ 5,135,134</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF MISSISSIPPI CHARTERED**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Cash	\$ 1,990,465	\$ -	\$ 1,990,465
Contributions, Donated Goods and Services	677,014	206,402	883,416
Grants	47,346	-	47,346
Total Public Support	<u>2,714,825</u>	<u>206,402</u>	<u>2,921,227</u>
Internal Special Events, Cash	1,927,419	174,813	2,102,232
Less Costs of Direct Benefits to Donors	<u>(213,626)</u>	<u>-</u>	<u>(213,626)</u>
Total Internal Special Events	<u>1,713,793</u>	<u>174,813</u>	<u>1,888,606</u>
Investment Income	226,826	-	226,826
Net Assets Released from Restrictions	<u>270,457</u>	<u>(270,457)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	4,925,901	110,758	5,036,659
<b>EXPENSES</b>			
Program Services:			
Wish Granting	2,546,554	-	2,546,554
Total Program Services	<u>2,546,554</u>	<u>-</u>	<u>2,546,554</u>
Support Services:			
Fundraising	454,291	-	454,291
Management and General	<u>201,317</u>	<u>-</u>	<u>201,317</u>
Total Support Services	<u>655,608</u>	<u>-</u>	<u>655,608</u>
Total Expenses	<u>3,202,162</u>	<u>-</u>	<u>3,202,162</u>
<b>CHANGE IN NET ASSETS</b>			
	1,723,739	110,758	1,834,497
Net Assets - Beginning of Year	<u>4,323,708</u>	<u>270,458</u>	<u>4,594,166</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 6,047,447</u></b>	<b><u>\$ 381,216</u></b>	<b><u>\$ 6,428,663</u></b>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF MISSISSIPPI CHARTERED**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED AUGUST 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Cash	\$ 1,262,060	\$ -	\$ 1,262,060
Contributions, Donated Goods and Services	365,692	181,676	547,368
Grants	126,000	-	126,000
Total Public Support	<u>1,753,752</u>	<u>181,676</u>	<u>1,935,428</u>
Internal Special Events, Cash	1,808,773	88,781	1,897,554
Less Costs of Direct Benefits to Donors	<u>(198,761)</u>	<u>-</u>	<u>(198,761)</u>
Total Internal Special Events	<u>1,610,012</u>	<u>88,781</u>	<u>1,698,793</u>
Investment Income (Loss), Net	236,110	-	236,110
Other Income	300	-	300
Net Assets Released from Restrictions	<u>321,246</u>	<u>(321,246)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	3,921,420	(50,789)	3,870,631
<b>EXPENSES</b>			
Program Services:			
Wish Granting	<u>2,111,625</u>	<u>-</u>	<u>2,111,625</u>
Total Program Services	<u>2,111,625</u>	<u>-</u>	<u>2,111,625</u>
Support Services:			
Fundraising	422,492	-	422,492
Management and General	<u>224,723</u>	<u>-</u>	<u>224,723</u>
Total Support Services	<u>647,215</u>	<u>-</u>	<u>647,215</u>
Total Expenses	<u>2,758,840</u>	<u>-</u>	<u>2,758,840</u>
<b>CHANGE IN NET ASSETS</b>			
	1,162,580	(50,789)	1,111,791
Net Assets - Beginning of Year	<u>3,161,128</u>	<u>321,247</u>	<u>3,482,375</u>
<b>NET ASSETS - END OF YEAR</b>	<b><u>\$ 4,323,708</u></b>	<b><u>\$ 270,458</u></b>	<b><u>\$ 4,594,166</u></b>

See accompanying Notes to Financial Statements.

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

	Program Services		Support Services		Total Support Services	Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General				
Direct Costs of Wishes	\$ 1,392,370	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,392,370
Salaries, Taxes, and Benefits	577,405	243,022	93,189	336,211			913,616
Printing, Subscriptions, and Publications	31,516	16,305	2,845	19,150			50,666
Professional Fees	2,705	1,524	35,770	37,294			39,999
Rent and Utilities	52,938	22,281	2,495	24,776			77,714
Postage and Delivery	7,484	2,930	744	3,674			11,158
Travel	3,057	12,513	120	12,633			15,690
Meetings and Conferences	2,898	23,123	10,873	33,996			36,894
Office Supplies	19,638	5,505	1,508	7,013			26,651
Communications	7,153	3,011	1,155	4,166			11,319
Advertising and Media (Cash)	3,396	1,035	306	1,341			4,737
Repairs and Maintenance	3,054	1,341	493	1,834			4,888
Insurance	1,113	468	679	1,147			2,260
Bad Debt Expense	-	-	6,000	6,000			6,000
Membership Dues	363	951	59	1,010			1,373
Grants and Scholarships	240,000	-	-	-			240,000
National Partnership Dues	187,971	79,114	30,337	109,451			297,422
Miscellaneous	13,493	41,168	14,744	55,912			69,405
Special Event - Direct Donor Benefits	-	-	-	-	213,626		213,626
Total Expenses by Function	2,546,554	454,291	201,317	655,608	213,626		3,415,788
Less: Expenses Netted Against Revenues on the Statement of Activities:							
Special Event Expenses	-	-	-	-	(213,626)		(213,626)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 2,546,554	\$ 454,291	\$ 201,317	\$ 655,608	\$ -		\$ 3,202,162

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF MISSISSIPPI CHARTERED  
STATEMENT OF FUNCTIONAL EXPENSES  
YEAR ENDED AUGUST 31, 2024**

	Program Services		Support Services		Total Support Services	Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General				
Direct Costs of Wishes	\$ 1,255,459	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,255,459
Salaries, Taxes, and Benefits	475,819	221,364	118,849	340,213		-	816,032
Printing, Subscriptions, and Publications	17,683	11,429	4,155	15,584		-	33,267
Professional Fees	5,151	10,268	23,675	33,943		-	39,094
Rent and Utilities	48,676	22,588	16,206	38,794		-	87,470
Postage and Delivery	5,891	2,558	544	3,102		-	8,993
Travel	4,223	13,591	989	14,580		-	18,803
Meetings and Conferences	3,774	20,448	5,471	25,919		-	29,693
Office Supplies	19,919	4,410	2,102	6,512		-	26,431
Communications	7,123	3,305	1,768	5,073		-	12,196
Repairs and Maintenance	2,781	1,291	691	1,982		-	4,763
Insurance	954	1,443	237	1,680		-	2,634
Membership Dues	718	333	178	511		-	1,229
National Partnership Dues	153,431	71,198	38,095	109,293		-	262,724
Miscellaneous	9,499	38,023	11,632	49,655		-	59,154
Depreciation	524	243	131	374		-	898
Special Event - Direct Donor Benefits	-	-	-	-	198,761	198,761	198,761
Total Expenses by Function	2,111,625	422,492	224,723	647,215	198,761	198,761	2,957,601
Less: Expenses Netted Against Revenues on the Statement of Activities:							
Special Event Expenses	-	-	-	-	(198,761)	(198,761)	(198,761)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 2,111,625	\$ 422,492	\$ 224,723	\$ 647,215	\$ -	\$ -	\$ 2,758,840

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF MISSISSIPPI CHARTERED  
STATEMENTS OF CASH FLOWS  
YEARS ENDED AUGUST 31, 2025 AND 2024**

	<u>2025</u>	<u>2024</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ 1,834,497	\$ 1,111,791
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	-	898
Bad Debt Expense and Other	6,000	-
Net Realized and Unrealized (Gains) Losses on Investments	(55,710)	(110,491)
Amortization of Right-of-Use Asset, Finance Lease	-	10,001
Change in Operating Right-of-Use Assets and Lease Liabilities	(2,409)	(2,409)
(A) Decrease in Assets:		
Contributions Receivable	102,981	(2,628)
Due from Related Entities	(16,395)	(13,343)
Prepaid Expenses	(3,287)	(40,112)
Other Assets	-	-
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	4,767	56,281
Due to Related Entities	(23,341)	25,934
Net Cash Provided by Operating Activities	<u>1,847,103</u>	<u>1,035,922</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(795,876)	(1,293,718)
Proceeds from Sales of Investments	181,219	-
Net Cash Used by Investing Activities	<u>(614,657)</u>	<u>(1,293,718)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Finance Lease Obligations	(3,640)	(3,517)
Net Cash Used by Financing Activities	<u>(3,640)</u>	<u>(3,517)</u>
<b>NET CHANGE IN CASH AND CASH EQUIVALENTS</b>	 1,228,806	 (261,313)
Cash and Cash Equivalents - Beginning of Year	<u>1,827,550</u>	<u>2,088,863</u>
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	<u><u>\$ 3,056,356</u></u>	<u><u>\$ 1,827,550</u></u>

See accompanying Notes to Financial Statements.

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

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of Mississippi Chartered (the Foundation) is a Mississippi 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.

**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.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Leases (Continued)**

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

**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).

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Fair Value Measurements (Continued)**

*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.*

The Foundation utilizes the net asset value (NAV) per share or its equivalent for valuing certain investments in funds that do not have readily determinable fair values. NAV, in many instances, may not equal fair value.

**Net Assets**

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

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

*Net Assets With Donor Restrictions* – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from 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.

**Net Assets**

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.

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Revenue Recognition**

Revenue is recognized on the accrual basis and generally consists of contributions, special events, 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 \$365,000 and \$254,000 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 \$215,614 and \$217,968, respectively.

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

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

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

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

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Contributions: Donated Goods and Services**

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

	<b>2025</b>	<b>2024</b>
Wish Related Travel, Goods, and Services	\$ 850,193	\$ 524,858
Professional Services	<u>33,223</u>	<u>22,510</u>
 Total Contributed Nonfinancial Assets and Services	 <u>\$ 883,416</u>	 <u>\$ 547,368</u>

Wish related in-kinds consist of donated travel, goods and other services used in the delivery of wishes. The Foundation estimates the fair value of wish related in-kinds 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 investment fees used for support services, and are valued and reported at the estimated fair value based on current rates for similar services.

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

**Income Taxes**

The Foundation is a nonprofit organization exempt from federal income and Mississippi taxes under the provisions of Internal Revenue Code 501(c)(3) and Mississippi tax provisions. 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.

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**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Functional Expenses (Continued)**

**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.

**Reclassifications**

Certain reclassifications of amounts previously reported have been made to the accompanying consolidated financial statements to maintain consistency between periods presented. The reclassifications had no impact on previously reported 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. Holding 6 to 24 months of liquidity is considered excellent based off the enterprise-wide published scale.

	<b>2025</b>	<b>2024</b>
Total Financial Assets	\$ 6,608,033	\$ 4,801,446
Donor-Imposed Restrictions:		
Restricted Funds	<u>(381,216)</u>	<u>(270,458)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 6,226,817</u>	<u>\$ 4,530,988</u>

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**NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)**

Financial assets include cash and cash equivalents, due from related entities, and receivables. 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.

**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.

The Foundation uses net asset value (NAV) per share, or its equivalent, such as member units or an ownership interest in partners' capital, as a practical expedient to estimate fair values of certain hedge funds, private equity funds, funds of funds, and limited partnerships, which do not have readily determinable fair values. Investments that are measured at fair value using NAV per share as a practical expedient are not classified in the fair value hierarchy.

**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 of directors and finance committee, which oversees the Foundation's investment program in accordance with established guidelines.

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**NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Fair Value Hierarchy**

The following table presents the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis, at August 31:

	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
<b>August 31, 2025</b>					
Investments:					
Mutual Funds	\$ 814,955	\$ -	\$ -	\$ -	\$ 814,955
Exchange-Traded Funds	2,435,092	-	-		2,435,092
Cash	-	-	-	3,056,356	3,056,356
Total Investments	<u>\$ 3,250,047</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,056,356</u>	<u>\$ 6,306,403</u>
<b>August 31, 2024</b>					
Investments:					
Mutual Funds	\$ 758,697	\$ -	\$ -	\$ -	\$ 758,697
Exchange-Traded Funds	1,820,983	-	-		1,820,983
Cash	-	-	-	1,827,550	1,827,550
Total Investments	<u>\$ 2,579,680</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,827,550</u>	<u>\$ 4,407,230</u>

**NOTE 5 CONTRIBUTIONS RECEIVABLE**

The Foundation's contributions receivable as of August 31, 2025 and 2024 were \$240,783 and \$349,764, respectfully. All contributions receivable are due within the next twelve months. Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at August 31, 2025 and 2024.

**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 \$1,016,770 and \$502,246 from these national revenue streams.

As part of the National Organization's Wish Fulfillment Fund, chapters may apply for funds that have been donated by other chapters to underwrite the cost of wishes. Under this program, the Foundation contributed \$240,000 and \$100,000 during the years ended August 31, 2025 and 2024, respectively.

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**NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)**

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. Amounts totaling \$421,000 and \$262,724 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 \$- and \$300, respectively, for the years ended August 31, 2025 and 2024, which is recorded in the accompanying statements of activities as other income.

Chapters with capacity can grant wishes for peer chapters who are facing limitations to meet their local wish granting demand. These chapters providing the wish relief are paid an amount equivalent to the average cost of a wish. Under this program, the Foundation received \$- and \$18,000 during the years ended August 31, 2025 and 2024, respectively, to facilitate the granting of wishes for other chapters. Under this program, the Foundation paid \$11,850 and \$13,900 during the years ended August 31, 2025 and 2024, respectively, to facilitate the granting of wishes on the Foundation’s behalf.

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

	2025	2024
Due from National Organization	\$ 60,847	\$ 44,452
Total Due from Related Entities	<u>\$ 60,847</u>	<u>\$ 44,452</u>
Due to National Organization	\$ 9,164	\$ 7,457
Due to Other Chapters	12,752	37,800
Total Due to Related Entities	<u>\$ 21,916</u>	<u>\$ 45,257</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 \$243,640 and \$159,004 respectively. Amounts paid to related parties for goods and services used in the Foundation’s operations totaled \$69,541 and \$52,390 for the years ended August 31, 2025 and 2024, respectively.

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**NOTE 7 LEASES**

The Foundation leases equipment as well as office facilities for various terms under long-term, non-cancelable 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:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets	\$ -	\$ 10,001
Interest on Lease Liabilities	289	413
Operating Lease Cost	<u>74,173</u>	<u>74,173</u>
Total Lease Cost	<u><u>\$ 74,462</u></u>	<u><u>\$ 84,587</u></u>

Other Information:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities	\$ 289	\$ 413
Operating Cash Flows from Financing Leases	\$ 76,582	\$ 76,582
Operating Cash Flows from Operating Leases	\$ 3,640	\$ 3,517
Financing Cash Flows from Financing Leases		
Weighted-Average Remaining Leases Term - Financing Leases	1.6 Years	2.6 Years
Weighted Average Remaining Lease Term - Operating Leases	2.9 Years	3.9 Years
Weighted-Average Discount Rate - Financing Leases	3.47%	3.47%
Weighted-Average Discount Rate - Operating Leases	3.54%	3.54%

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>Finance Leases</u>
2026	\$ 76,582	\$ 3,930
2027	76,582	2,619
2028	<u>76,582</u>	<u>-</u>
Total Lease Payments	<u>229,746</u>	<u>6,549</u>
Less: Imputed Interest	<u>(12,083)</u>	<u>(194)</u>
Present Value of Lease Liabilities	<u><u>\$ 217,663</u></u>	<u><u>\$ 6,355</u></u>

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**NOTE 8 NET ASSETS**

**Net Assets With Donor Restrictions**

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

	<u>2025</u>	<u>2024</u>
Subject to Expenditure for Specified Purpose:		
Wish Granting	\$ 206,403	\$ 181,676
Future Events	174,813	88,782
Total Donor-Restricted Net Assets	<u>\$ 381,216</u>	<u>\$ 270,458</u>

**NOTE 9 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 six months of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain Internal Revenue Code limitations. The Foundation contributes a flat 2% of the employee's salary. In addition, the Foundation matches up to an additional 2% to the employee's account upon meeting certain conditions. Foundation contributions to the Plan for the years ended August 31, 2025 and 2024 were \$25,230 and \$11,819, respectively.

**NOTE 10 CONCENTRATIONS**

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

Contributions totaling \$524,131 and \$385,315, respectively were received from a single donor for the years ended August 31, 2025 and 2024, which represents 10% of raised revenue each year which consists of total public support and gross internal special event revenue. Should these contribution levels decrease, the Foundation may be adversely affected.

**NOTE 11 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.

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**NOTE 12 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 117 and 109 wishes, respectively. As of August 31, 2025 and 2024, respectively, there were approximately 96 and 105 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2025 was \$6,119 in cash and \$5,748 in in-kind for a total cost of \$11,867. The average cost of a wish for the year ended August 31, 2024, was \$6,672 in cash and \$4,833 in in-kind for a total cost of \$11,504.

**NOTE 13 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through January 28, 2026, the date at which the financial statements were available to be issued.



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