

**MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA**  
**FINANCIAL STATEMENTS**  
**YEARS ENDED AUGUST 31, 2025 AND 2024**



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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Ohio, Kentucky & Indiana  
Columbus, Ohio

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

#### ***Opinion***

We have audited the financial statements of Make-A-Wish Foundation® of Ohio, Kentucky & Indiana (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 Ohio, Kentucky & Indiana 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 Ohio, Kentucky & Indiana 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 Ohio, Kentucky & Indiana's ability to continue as a going concern within one year after the date that 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 Ohio, Kentucky & Indiana'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 Ohio, Kentucky & Indiana'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**

Oak Brook, Illinois  
March 2, 2026

**MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA**  
**STATEMENTS OF FINANCIAL POSITION**  
**AUGUST 31, 2025 AND 2024**

	2025	2024
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 1,491,818	\$ 2,402,520
Due from Related Entities	389,466	640,015
Prepaid Expenses	696,021	846,767
Contributions Receivable, Net	4,574,284	5,345,468
Other Assets	53,384	87,887
Split-Interest Agreements	167,818	152,445
Right-of-Use Assets - Operating	1,218,601	1,317,429
Right-of-Use Assets - Financing	51,552	70,298
Investments Held for Long-Term Purposes	6,239,459	6,742,323
Property and Equipment, Net	158,900	139,061
Beneficial Interest in Assets Held by Others	515,351	485,713
	<u>\$ 15,556,654</u>	<u>\$ 18,229,926</u>
<b>Total Assets</b>	<u>\$ 15,556,654</u>	<u>\$ 18,229,926</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 651,436	\$ 644,567
Due to Related Entities	153,959	148,195
Other Liabilities	39,532	44,893
Lease Liability - Operating	1,261,429	1,362,497
Lease Liability - Financing	53,933	72,077
	<u>2,160,289</u>	<u>2,272,229</u>
<b>Total Liabilities</b>	<u>2,160,289</u>	<u>2,272,229</u>
<b>NET ASSETS</b>		
Without Donor Restrictions	5,352,095	7,965,497
With Donor Restrictions	8,044,270	7,992,200
<b>Total Net Assets</b>	<u>13,396,365</u>	<u>15,957,697</u>
<b>Total Liabilities and Net Assets</b>	<u>\$ 15,556,654</u>	<u>\$ 18,229,926</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA**  
**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	\$ 12,325,725	\$ 816,170	\$ 13,141,895
Contributions, Donated Goods and Services	3,075,151	1,692,620	4,767,771
Grants	245,131	5,000	250,131
Total Public Support	15,646,007	2,513,790	18,159,797
Internal Special Events	2,098,494	37,500	2,135,994
Internal Special Events, Donated Goods and Services	2,325	-	2,325
Less: Costs of Direct Benefits to Donors	(662,795)	-	(662,795)
Total Internal Special Events	1,438,024	37,500	1,475,524
Investment Gain, Net	535,930	128,724	664,654
Other Income	22,964	-	22,964
Net Assets Released from Restrictions	2,643,317	(2,643,317)	-
Total Revenues, Gains, and Other Support	20,286,242	36,697	20,322,939
<b>EXPENSES</b>			
Program Services:			
Wish Granting	16,374,513	-	16,374,513
Support Services:			
Fundraising	3,232,150	-	3,232,150
Management and General	3,292,981	-	3,292,981
Total Support Services	6,525,131	-	6,525,131
Total Expenses	22,899,644	-	22,899,644
<b>OTHER GAINS</b>			
Change in Split-Interest Agreements	-	15,373	15,373
Total Other Gains	-	15,373	15,373
<b>CHANGE IN NET ASSETS</b>			
(2,613,402)	52,070	(2,561,332)	
Net Assets - Beginning of Year	7,965,497	7,992,200	15,957,697
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 5,352,095</b>	<b>\$ 8,044,270</b>	<b>\$ 13,396,365</b>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA**  
**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	\$ 11,033,167	\$ 3,287,956	\$ 14,321,123
Contributions, Donated Goods and Services	3,607,003	2,595,931	6,202,934
Grants	370,747	16,553	387,300
Total Public Support	15,010,917	5,900,440	20,911,357
Internal Special Events	3,707,709	58,000	3,765,709
Internal Special Events, Donated Goods and Services	81,610	-	81,610
Less: Costs of Direct Benefits to Donors	(832,845)	-	(832,845)
Total Internal Special Events	2,956,474	58,000	3,014,474
Investment Gain, Net	871,417	116,515	987,932
Other Income	9,600	-	9,600
Net Assets Released from Restrictions	3,633,665	(3,633,665)	-
Total Revenues, Gains, and Other Support	22,482,073	2,441,290	24,923,363
<b>EXPENSES</b>			
Program Services:			
Wish Granting	15,520,813	-	15,520,813
Support Services:			
Fundraising	3,399,746	-	3,399,746
Management and General	3,151,341	-	3,151,341
Total Support Services	6,551,087	-	6,551,087
Total Expenses	22,071,900	-	22,071,900
<b>OTHER GAINS</b>			
Change in Split-Interest Agreements	-	18,028	18,028
Total Other Gains	-	18,028	18,028
<b>CHANGE IN NET ASSETS</b>	410,173	2,459,318	2,869,491
Net Assets - Beginning of Year	7,555,324	5,532,882	13,088,206
<b>NET ASSETS - END OF YEAR</b>	\$ 7,965,497	\$ 7,992,200	\$ 15,957,697

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA**  
**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	\$ 12,884,926	\$ -	\$ -	\$ -	\$ -	\$ 12,884,926
Salaries, Taxes, and Benefits	1,948,786	2,219,683	2,577,416	4,797,099	-	6,745,885
Printing, Subscriptions, and Publications	738	32,125	-	32,125	-	32,863
Professional Fees	32,245	76,414	44,513	120,927	-	153,172
Rent and Utilities	153,519	178,296	187,638	365,934	-	519,453
Postage and Delivery	37,935	19,950	13,117	33,067	-	71,002
Travel	19,747	83,329	22,333	105,662	-	125,409
Meetings and Conferences	17,376	51,791	20,009	71,800	-	89,176
Advertising and Media	-	423	-	423	-	423
Office Supplies	18,194	17,313	9,240	26,553	-	44,747
Communications	49,739	84,407	92,210	176,617	-	226,356
Repairs and Maintenance	10,604	12,084	12,970	25,054	-	35,658
National Partnership Dues	1,169,334	275,137	275,137	550,274	-	1,719,608
Bad Debt Expense	-	596	-	596	-	596
Miscellaneous	17,083	164,455	21,064	185,519	-	202,602
Depreciation and Amortization	14,287	16,147	17,334	33,481	-	47,768
Special Event - Direct Donor Benefits	-	-	-	-	662,795	662,795
Total Expenses by Function	<u>16,374,513</u>	<u>3,232,150</u>	<u>3,292,981</u>	<u>6,525,131</u>	<u>662,795</u>	<u>23,562,439</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(662,795)</u>	<u>(662,795)</u>
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 16,374,513</u>	<u>\$ 3,232,150</u>	<u>\$ 3,292,981</u>	<u>\$ 6,525,131</u>	<u>\$ -</u>	<u>\$ 22,899,644</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA**  
**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	\$ 12,047,613	\$ -	\$ -	\$ -	\$ -	\$ 12,047,613
Salaries, Taxes, and Benefits	2,113,050	1,897,590	2,547,827	4,445,417	-	6,558,467
Printing, Subscriptions, and Publications	667	46,053	985	47,038	-	47,705
Professional Fees	33,408	48,193	30,218	78,411	-	111,819
Rent and Utilities	160,932	152,568	168,671	321,239	-	482,171
Postage and Delivery	35,216	20,041	14,506	34,547	-	69,763
Travel	28,299	84,243	10,792	95,035	-	123,334
Meetings and Conferences	16,849	204,823	17,753	222,576	-	239,425
Advertising and Media	-	4,901	-	4,901	-	4,901
Office Supplies	28,512	25,718	8,986	34,704	-	63,216
Communications	55,435	77,280	114,028	191,308	-	246,743
Repairs and Maintenance	15,543	14,458	16,439	30,897	-	46,440
National Partnership Dues	940,411	214,951	188,082	403,033	-	1,343,444
Bad Debt Expense	-	391,283	-	391,283	-	391,283
Miscellaneous	26,046	200,419	13,269	213,688	-	239,734
Depreciation and Amortization	18,832	17,225	19,785	37,010	-	55,842
Special Event - Direct Donor Benefits	-	-	-	-	832,845	832,845
Total Expenses by Function	15,520,813	3,399,746	3,151,341	6,551,087	832,845	22,904,745
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(832,845)	(832,845)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 15,520,813	\$ 3,399,746	\$ 3,151,341	\$ 6,551,087	\$ -	\$ 22,071,900

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED AUGUST 31, 2025 AND 2024**

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (2,561,332)	\$ 2,869,491
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	47,768	55,842
Amortization of Right-of-Use Asset, Financing Lease	18,746	19,191
Bad Debt Expense	596	391,283
Contributions Restricted for Long-Term Investment	(97,000)	-
Net Realized and Unrealized Gains on Investments	(448,213)	(782,396)
Change in Value of Split-Interest Agreements	(15,373)	(18,028)
Change in Discount to Present Value of Contributions Receivable	12,686	(7,842)
Change in Operating Right-of-Use Assets and Lease Liabilities	(2,240)	(1,919)
Increase (Decrease) in Assets:		
Contributions Receivable	757,902	(1,739,505)
Due from Related Entities	250,549	(259,010)
Prepaid Expenses	150,746	(234,786)
Other Assets	34,503	75,818
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	6,869	(32,830)
Due to Related Entities	5,764	(20,080)
Other Liabilities	(5,361)	(20,049)
Net Cash Provided (Used) by Operating Activities	(1,843,390)	295,180
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Investments	(475,195)	(955,351)
Proceeds from Sales of Investments	1,396,634	1,107,648
Purchases of Property and Equipment	(67,607)	(69,358)
Net Cash Provided by Investing Activities	853,832	82,939
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Contributions Restricted for Long-Term Investment	97,000	-
Principal Payments on Financing Lease Obligations	(18,144)	(17,412)
Net Cash Provided (Used) by Financing Activities	78,856	(17,412)
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	(910,702)	360,707
Cash and Cash Equivalents - Beginning of Year	2,402,520	2,041,813
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 1,491,818	\$ 2,402,520
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Cash Paid for Interest Expense	\$ 2,636	\$ 3,369
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 289,822	\$ 92,943

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2025 AND 2024**

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of Ohio, Kentucky & Indiana (the Foundation) is an Ohio nonprofit corporation, organized for the purpose of creating life changing wishes for children with critical illnesses. The Foundation is an independently operating chapter of Make-A-Wish Foundation® of America (National Organization), which develops and implements national programs in public relations and fundraising for the benefit of all local chapters. To be a Make-A-Wish chapter, the local chapter is obligated to comply with a chapter agreement with the National Organization and such guidelines, resolutions, and policies as may be adopted by the National Organization's Board of Directors.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

**Cash and Cash Equivalents**

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

**Investments**

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

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

**Contributions Receivable**

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

**MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA**  
**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 financing leases are included in right-of-use (ROU) assets – financing and lease liability – financing in the statements of financial position.

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

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

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

**Property and Equipment, Net**

Property and equipment having a unit cost of greater than \$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 OHIO, KENTUCKY & INDIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2025 AND 2024**

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

**Fair Value Measurements**

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

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

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

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

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

**Net Assets**

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

*Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for board-designated endowment.

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

**MAKE-A-WISH FOUNDATION® OF OHIO, KENTUCKY & INDIANA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2025 AND 2024**

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

**Net Assets (Continued)**

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

**Revenue Recognition**

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

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

Special event revenue consists of registrations, sponsorships and other contributions. The exchange element of the special event revenue was approximately \$649,000 and \$833,000 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 \$276,000 and \$472,000, 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.

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**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:

	2025	2024
Wish Related Travel, Goods, and Services	\$ 4,770,481	\$ 6,151,719
Professional Services	13,867	2,364
Internal Special Events	2,325	81,610
Inventory, Net Change	(18,523)	36,353
Property and Equipment , Net Change	(3,600)	-
Other	5,546	12,498
Total Contributed Nonfinancial Assets and Services	\$ 4,770,096	\$ 6,284,544

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

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

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.

Inventory items donated consist of wish enhancements and were valued and reported at the estimated fair value based on current rates for similar products.

Property and equipment items donated consist of computers and were valued and reported at the estimated fair value based on current rates for similar products.

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 Ohio taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Section 5733.01 of Ohio Revised 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.

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**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.

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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.

	<u>2025</u>	<u>2024</u>
Total Financial Assets	\$ 13,378,196	\$ 15,768,484
Donor-Imposed Restrictions:		
Endowments	(1,888,847)	(1,265,753)
Split-Interest Agreements	(167,818)	(152,445)
Wish Granting	(1,413,364)	(1,228,533)
Contributions Receivable, Net	<u>(4,574,241)</u>	<u>(5,345,469)</u>
Net Financial Assets after Donor-Imposed Restrictions	5,333,926	7,776,284
Internal Designations:		
Board-Designated Endowments	<u>(4,747,109)</u>	<u>(5,704,761)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 586,817</u>	<u>\$ 2,071,523</u>

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

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

Board-designated endowment of \$4,747,109 and \$5,704,761, respectively, at August 31, 2025 and 2024 is subject to an annual spending rate of 3% as described in Note 12. Although the Foundation does not intend to spend from this board-designated endowment (other than amounts appropriated for general expenditure as part of the Board's annual budget approval and appropriation), these amounts could be made available if necessary.

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

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**NOTE 4 FAIR VALUE MEASUREMENTS**

**Fair Value of Financial Instruments**

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

The fair values of the financial instruments shown in the following table as of August 31, 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.

**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 audit 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 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
<u>August 31, 2025</u>					
<b>Assets</b>					
Investments:					
Mutual Funds	\$ 3,893,348	\$ -	\$ -	\$ -	\$ 3,893,348
Equity Securities	2,451	-	-	-	2,451
Debt Securities	1,503,748	-	-	-	1,503,748
Certificates of Deposit	118,902	-	-	-	118,902
Cash	-	-	-	721,010	721,010
Total Investments	<u>5,518,449</u>	<u>-</u>	<u>-</u>	<u>721,010</u>	<u>6,239,459</u>
Split-Interest Agreements	-	-	167,818	-	167,818
Beneficial Interests in Assets					
Held by Others	-	-	515,351	-	515,351
Total	<u>-</u>	<u>-</u>	<u>683,169</u>	<u>-</u>	<u>683,169</u>
Total Investments and Investment for Long- Term Purposes	<u>\$ 5,518,449</u>	<u>\$ -</u>	<u>\$ 683,169</u>	<u>\$ 721,010</u>	<u>\$ 6,922,628</u>
	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
<u>August 31, 2024</u>					
<b>Assets</b>					
Investments:					
Mutual Funds	\$ 4,271,262	\$ -	\$ -	\$ -	\$ 4,271,262
Equity Securities	2,480	-	-	-	2,480
Debt Securities	1,638,178	-	-	-	1,638,178
Certificates of Deposit	256,848	-	-	-	256,848
Cash	-	-	-	573,555	573,555
Total Investments	<u>6,168,768</u>	<u>-</u>	<u>-</u>	<u>573,555</u>	<u>6,742,323</u>
Split-Interest Agreements	-	-	152,445	-	152,445
Beneficial Interests in Assets					
Held by Others	-	-	485,713	-	485,713
Total	<u>-</u>	<u>-</u>	<u>638,158</u>	<u>-</u>	<u>638,158</u>
Total Investments and Investment for Long- Term Purposes	<u>\$ 6,168,768</u>	<u>\$ -</u>	<u>\$ 638,158</u>	<u>\$ 573,555</u>	<u>\$ 7,380,481</u>

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

	2025	2024
Reinvested Interest and Dividends	\$ 4,610	\$ 4,386
Sales	(15,631)	(15,064)

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

**Fair Value Hierarchy (Continued)**

Included within Beneficial Interests in Trusts Held by Others include amounts held by National. The valuation of these items is based on the portfolio managed by Make-A-Wish Foundation of America's Investment Committee. Underlying assets held by National as of August 31, 2025 include 7% cash alternative and 93% equities. The assets held by National are valued using Level 1 inputs.

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

Quantitative Information About Level 3 Fair Value Measurements			
Type of Assets	Fair Value at August 31, 2025	Principal Valuation Technique	Unobservable Inputs
Beneficial Interests in Trusts Held by Others	\$ 515,351	Fair Market Value of Assets	Time Period of Agreement
Split-Interest Agreements	167,818	Fair Market Value of Assets	Time Period of Agreement
Total	<u>\$ 683,169</u>		

Quantitative Information About Level 3 Fair Value Measurements			
Type of Assets	Fair Value at August 31, 2024	Principal Valuation Technique	Unobservable Inputs
Beneficial Interests in Trusts Held by Others	\$ 485,713	Fair Market Value of Assets	Time Period of Agreement
Split-Interest Agreements	152,445	Fair Market Value of Assets	Time Period of Agreement
Total	<u>\$ 638,158</u>		

**NOTE 5 CONTRIBUTIONS RECEIVABLE**

Contributions receivable include pledges that have been discounted at rates ranging from 0.70% to 4.89% at August 31, 2025 and August 31, 2024. The following is a summary of the Foundation's contributions receivable at August 31:

	2025	2024
Total Amounts Due in:		
Within One Year	\$ 3,314,807	\$ 4,069,305
One to Five Years	1,317,000	1,321,000
Gross Contributions Receivable	4,631,807	5,390,305
Less: Discount to Present Value	(57,523)	(44,837)
Contributions Receivable, Net	<u>\$ 4,574,284</u>	<u>\$ 5,345,468</u>

Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at August 31, 2025 and 2024.

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**NOTE 6 BENEFICIAL INTEREST AGREEMENTS**

**Beneficial Interest in Assets Held by Others**

The Foundation had received a gift for an endowment which was transferred by the Foundation to the Wishes Forever Endowment Fund at the National Organization. The original corpus is not redeemable by the Foundation at any time. Distributions from earnings will be made by the National Organization to the Foundation according to the National Organization's Endowment Spending Policy. Subsequent changes in the value of the underlying assets are included within investment income in the accompanying statement of activities. As of August 31, 2025 and 2024, the Foundation had a beneficial interest in assets held by others of \$427,863 and \$404,925 held by the National Organization, respectively. See Note 4 for fair value disclosures related to these assets.

Beneficial interest in assets held by others, including those amounts held by National and by community foundations, totaled \$515,351 and \$485,713 as of August 31, 2025 and 2024, respectively.

**Split-Interest Agreements**

The Foundation is named beneficiary on six charitable remainder unitrusts, the corpus of which is not controlled by the management of the Foundation. Under these arrangements, the Foundation has the irrevocable right to receive the remaining assets in the trusts at the termination of the trusts. Accordingly, contribution revenue and the related assets are recognized at fair value in the period in which the Foundation received notice that the trust agreement conveyed an unconditional right to receive benefits. Subsequent changes in the value of the underlying assets have been recorded in the accompanying statement of activities as a component of donor-restricted change in value of split-interest agreements.

The Foundation received beneficial interest in these trusts as part of the acquisition of the Northwest Ohio Chapter that occurred effective September 1, 2010. The Foundation's beneficial interest in the trust is \$167,818 and \$152,445 for the years ended August 31, 2025 and 2024, respectively.

**NOTE 7 TRANSACTIONS WITH RELATED ENTITIES**

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants and other miscellaneous revenues. During the years ended August 31, 2025 and 2024, respectively, the Foundation received \$2,089,733 and \$2,701,215 from these national revenue streams.

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 \$1,850,467 and \$1,484,959 were paid from the Foundation to the National Organization during the years ended August 31, 2025 and 2024, respectively.

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**NOTE 7 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)**

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 \$22,775 and \$9,600, 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:

	<u>2025</u>	<u>2024</u>
Due from National Organization	\$ 375,827	\$ 619,552
Due from Other Chapters	13,639	20,463
Total Due from Related Entities	<u>\$ 389,466</u>	<u>\$ 640,015</u>
Due to National Organization	\$ 30,402	\$ 33,821
Due to Other Chapters	123,557	114,374
Total Due to Related Entities	<u>\$ 153,959</u>	<u>\$ 148,195</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 \$508,897 and \$638,771, respectively. At August 31, 2025 and 2024, amounts due from board members totaled \$575,000 and \$855,000 , respectively, and are included in contributions receivable in the accompanying statements of financial position.

**NOTE 8 PROPERTY AND EQUIPMENT, NET**

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

	<u>2025</u>	<u>2024</u>
Computer Equipment and Software	\$ 385,693	\$ 381,806
Office Furniture and Equipment	185,089	188,835
Leasehold Improvements	83,557	83,557
Total	<u>654,339</u>	<u>654,198</u>
Less Accumulated Depreciation and Amortization	<u>(495,439)</u>	<u>(515,137)</u>
Property and Equipment, Net	<u>\$ 158,900</u>	<u>\$ 139,061</u>

Depreciation expense totaled \$47,768 and \$55,842, respectively for the years ended August 31, 2025 and 2024.

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**NOTE 9 LINE OF CREDIT**

The Foundation has an unsecured line of credit with a financial institution totaling \$500,000, bearing interest at a variable rate, to continue until an agreed-upon termination date. As of August 31, 2025 and 2024, the Foundation had no amounts outstanding on this line of credit.

**NOTE 10 LEASES**

The Foundation leases equipment as well as certain operating and office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2030.

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

	2025	2024
Lease Cost:		
Financing Lease Cost:		
Amortization of Right-of-Use Assets	\$ 18,746	\$ 19,191
Interest on Lease Liabilities	2,636	3,369
Operating Lease Cost	431,136	399,412
Total Lease Cost	\$ 452,518	\$ 421,972
	2025	2024
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating Cash Flows from Financing Leases	\$ 2,636	\$ 3,369
Operating Cash Flows from Operating Leases	\$ 433,377	\$ 401,331
Financing Cash Flows from Financing Leases	\$ 18,144	\$ 17,412
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 289,822	\$ 92,943
Weighted-Average Remaining Leases Term - Financing Leases	2.6 Years	3.6 Years
Weighted Average Remaining Lease Term - Operating Leases	4.2 Years	5.3 Years
Weighted-Average Discount Rate - Financing Leases	4.13%	4.13%
Weighted-Average Discount Rate - Operating Leases	3.13%	3.03%

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**NOTE 10 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	\$ 349,105	\$ 20,780
2027	316,020	20,780
2028	256,542	15,585
2029	228,738	-
2030	193,016	-
Total Lease Payments	1,343,421	57,145
Less: Imputed Interest	(81,992)	(3,212)
Present Value of Lease Liabilities	<u>\$ 1,261,429</u>	<u>\$ 53,933</u>

**NOTE 11 NET ASSETS**

**Net Assets Without Donor Restrictions**

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

	<u>2025</u>	<u>2024</u>
Board-Designated Endowment Funds	\$ 4,747,109	\$ 5,299,836
Held by National	-	404,925
Total Board-Designated Net Assets	<u>\$ 4,747,109</u>	<u>\$ 5,704,761</u>

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**NOTE 11 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:

	2025	2024
Subject to Expenditure for Specified Purpose:		
Wish Granting	\$ 1,413,364	\$ 1,228,533
In-Kind Contributions Receivable	1,692,620	2,595,931
Total	3,105,984	3,824,464
Subject to Passage of Time:		
Cash Contributions Receivable	2,881,621	2,749,538
Not Subject to Spending Policy or Appropriation:		
Split-Interest Agreements	167,818	152,445
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	847,241	624,305
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
To Support Any Activities of the Foundation	209,136	109,994
To Grant Disney World Wishes	150,000	148,984
To Grant Wishes in the Southern Ohio Region	275,000	125,000
To Grant Wishes in the Northern Ohio Region	242,470	242,470
To Grant Wishes in Cleveland	165,000	15,000
Total Endowments	1,888,847	1,265,753
Total Donor-Restricted Net Assets	\$ 8,044,270	\$ 7,992,200

**NOTE 12 ENDOWMENTS**

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

The Foundation's endowment consists of five 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.

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**NOTE 12 ENDOWMENTS (CONTINUED)**

**Interpretation of Relevant Law**

The Board of Directors of the Foundation has interpreted the Ohio UPMIFA as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as donor-restricted net assets: (a) the original value of gifts donated to the donor-restricted endowment, (b) the original value of subsequent gifts to the donor-restricted endowment, and (c) accumulated earnings on the donor-restricted endowment funds. The accumulated earnings on the endowment funds remain treated as donor-restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Foundation and the donor-restricted endowment fund
- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Foundation
- The investment policies of the Foundation

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

<u>August 31, 2025</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Donor-Restricted Endowment Funds:			
Original Gift to be Maintained in Perpetuity	\$ -	\$ 1,041,606	\$ 1,041,606
Accumulated Investment Gains	-	847,241	847,241
Board-Designated Endowment Funds			
Held by Chapter	4,747,109	-	4,747,109
Total Funds	<u>\$ 4,747,109</u>	<u>\$ 1,888,847</u>	<u>\$ 6,635,956</u>
<u>August 31, 2024</u>			
Donor-Restricted Endowment Funds:			
Original Gift to be Maintained in Perpetuity	\$ -	\$ 641,448	\$ 641,448
Accumulated Investment Gains	-	624,305	624,305
Board-Designated Endowment Funds			
Held by National	404,925	-	404,925
Board-Designated Endowment Funds			
Held by Chapter	5,299,836	-	5,299,836
Total Funds	<u>\$ 5,704,761</u>	<u>\$ 1,265,753</u>	<u>\$ 6,970,514</u>

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**NOTE 12 ENDOWMENTS (CONTINUED)**

**Interpretation of Relevant Law (Continued)**

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

<u>August 31, 2025</u>	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Funds - Beginning of Year	\$ 5,704,761	\$ 1,265,753	\$ 6,970,514
Investment Return	485,842	128,724	614,566
Contributions	-	97,000	97,000
Reclassification of Endowment Assets	(427,862)	427,862	-
Distribution from Board-Designated Endowment Pursuant to Distribution Policy	(1,000,000)	-	(1,000,000)
Appropriation of Endowment Assets Pursuant to Spending-Rate Policy	<u>(15,632)</u>	<u>(30,492)</u>	<u>(46,124)</u>
Endowment Funds - End of Year	<u>\$ 4,747,109</u>	<u>\$ 1,888,847</u>	<u>\$ 6,635,956</u>
<u>August 31, 2024</u>			
Endowment Funds - Beginning of Year	\$ 5,411,466	\$ 1,149,238	\$ 6,560,704
Investment Return	808,409	116,515	924,924
Appropriation of Endowment Assets Pursuant to Spending-Rate Policy	<u>(515,114)</u>	<u>-</u>	<u>(515,114)</u>
Endowment Funds - End of Year	<u>\$ 5,704,761</u>	<u>\$ 1,265,753</u>	<u>\$ 6,970,514</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.

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**NOTE 12 ENDOWMENTS (CONTINUED)**

**Return Objectives and Risk Parameters**

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment funds 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 donor-specified periods as well as board-designated funds. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 6% 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 3% 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 3% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

**NOTE 13 RETIREMENT PLAN**

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of one year of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain Internal Revenue Code limitations. The Foundation matches employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan for the year ended August 31, 2025 and 2024 were \$87,092 and \$92,163, respectively.

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**NOTE 14 SELF-INSURANCE**

During the year ended August 31, 2025, the Foundation has elected to self-insure certain costs related to employee health programs. The program is administered by a third-party administrator. Costs resulting from noninsured losses are expensed when incurred. The Foundation has purchased insurance that limits its exposure for individual claims. Aggregate exposure for individual claims is capped at \$40,000. As a result of electing to self-insure certain costs related to employee health benefits, the Foundation has established a reserve for incurred but not paid medical claims. The reserve is based upon an estimate which considers historical claim data and estimated claims lag. If actual claims are more than expected, the estimated reserve could be adversely affected. The reserve for incurred but not paid claims was approximately \$153,000 at August 31, 2025 and is included within accounts payable and accrued expenses on the statement of financial position. There was no such self-insurance arrangement during the year ended August 31, 2024.

**NOTE 15 CONCENTRATIONS**

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

In-kind contributions totaling \$2,791,143 and \$3,249,509, respectively, were received from a single donor for the years ended August 31, 2025 and 2024, which represents 15% and 16%, 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 16 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 1,052 and 1,061 wishes, respectively. As of August 31, 2025 and 2024, respectively, there were approximately 1,400 and 1,700 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2025 was \$6,775 in cash and \$5,427 in in-kind for a total cost of \$12,202. The average cost of a wish for the year ended August 31, 2024 was \$6,724 in cash and \$4,628 in in-kind for a total cost of \$11,352.

**NOTE 17 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through March 2, 2026, the date at which the financial statements were available to be issued.



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