

**MAKE-A-WISH NORTHEASTERN &
CENTRAL CALIFORNIA**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2025 AND 2024



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**MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
TABLE OF CONTENTS
YEARS ENDED AUGUST 31, 2025 AND 2024**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENTS OF FUNCTIONAL EXPENSES	6
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9



INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Northeastern & Central California
Sacramento, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Make-A-Wish Northeastern & Central California (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 Northeastern & Central California 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 Northeastern & Central California 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 Northeastern & Central California'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 Northeastern & Central California'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 Northeastern & Central California'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

Minneapolis, Minnesota
March 2, 2026

**MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2025 AND 2024**

	2025	2024
ASSETS		
Cash and Cash Equivalents	\$ 2,307,400	\$ 1,280,178
Investments	1,926,800	1,721,716
Due from Related Entities	263,817	155,897
Prepaid Expenses	65,243	46,590
Contributions Receivable, Net	176,459	172,731
Other Assets	465,626	468,753
Investments Held for Long-Term Purposes	1,500,000	1,500,000
Right-of-Use Assets - Operating	63,832	41,588
Property and Equipment, Net	3,231,449	3,349,284
Beneficial Interest in Assets Held by Others	194,926	184,282
Total Assets	\$ 10,195,552	\$ 8,921,019
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 382,707	\$ 294,985
Due to Related Entities	64,062	728,644
Deferred Revenue	1,000	-
Lease Liability - Operating	63,831	42,288
Notes Payable	611,237	633,761
Total Liabilities	1,122,837	1,699,678
NET ASSETS		
Without Donor Restrictions	5,376,520	3,646,861
With Donor Restrictions	3,696,195	3,574,480
Total Net Assets	9,072,715	7,221,341
Total Liabilities and Net Assets	\$ 10,195,552	\$ 8,921,019

See accompanying Notes to Financial Statements.

**MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2025**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 3,797,615	\$ -	\$ 3,797,615
Contributions, Donated Goods and Services	1,094,884	74,471	1,169,355
Grants	753,310	-	753,310
Total Public Support	<u>5,645,809</u>	<u>74,471</u>	<u>5,720,280</u>
Internal Special Events	1,082,154	-	1,082,154
Internal Special Events, Donated Goods and Services	61,027	-	61,027
Less: Costs of Direct Benefits to Donors	(274,481)	-	(274,481)
Total Internal Special Events	<u>868,700</u>	<u>-</u>	<u>868,700</u>
Change in Beneficial Interest in Assets Held by National	-	17,459	17,459
Investment Income, Net	1,524	205,084	206,608
Other Income	657,632	-	657,632
Net Assets Released from Restrictions	<u>175,299</u>	<u>(175,299)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	7,348,964	121,715	7,470,679
EXPENSES			
Program Services:			
Wish Granting	3,553,369	-	3,553,369
Training and Development	2,949	-	2,949
Public Information	154,681	-	154,681
Total Program Services	<u>3,710,999</u>	<u>-</u>	<u>3,710,999</u>
Support Services:			
Fundraising	985,649	-	985,649
Management and General	922,657	-	922,657
Total Support Services	<u>1,908,306</u>	<u>-</u>	<u>1,908,306</u>
Total Expenses	<u>5,619,305</u>	<u>-</u>	<u>5,619,305</u>
CHANGE IN NET ASSETS	1,729,659	121,715	1,851,374
Net Assets - Beginning of Year	<u>3,646,861</u>	<u>3,574,480</u>	<u>7,221,341</u>
NET ASSETS - END OF YEAR	<u>\$ 5,376,520</u>	<u>\$ 3,696,195</u>	<u>\$ 9,072,715</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2024**

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 3,006,148	\$ -	\$ 3,006,148
Contributions, Donated Goods and Services	664,934	67,223	732,157
Grants	1,815,529	-	1,815,529
Total Public Support	<u>5,486,611</u>	<u>67,223</u>	<u>5,553,834</u>
Internal Special Events	1,213,019	-	1,213,019
Internal Special Events, Donated Goods and Services	75,552	-	75,552
Less: Costs of Direct Benefits to Donors	(420,166)	-	(420,166)
Total Internal Special Events	<u>868,405</u>	<u>-</u>	<u>868,405</u>
Change in Beneficial Interest in Assets Held by			
National	-	28,611	28,611
Investment Income, Net	157	202,980	203,137
Other Income	3,900	-	3,900
Net Assets Released from Restrictions	<u>243,526</u>	<u>(243,526)</u>	<u>-</u>
Total Revenues, Gains, and Other Support	6,602,599	55,288	6,657,887
EXPENSES			
Program Services:			
Wish Granting	3,281,414	-	3,281,414
Training and Development	15,288	-	15,288
Public Information	180,834	-	180,834
Total Program Services	<u>3,477,536</u>	<u>-</u>	<u>3,477,536</u>
Support Services:			
Fundraising	1,081,964	-	1,081,964
Management and General	873,621	-	873,621
Total Support Services	<u>1,955,585</u>	<u>-</u>	<u>1,955,585</u>
Total Expenses	<u>5,433,121</u>	<u>-</u>	<u>5,433,121</u>
CHANGE IN NET ASSETS	1,169,478	55,288	1,224,766
Net Assets - Beginning of Year	<u>2,477,383</u>	<u>3,519,192</u>	<u>5,996,575</u>
NET ASSETS - END OF YEAR	<u>\$ 3,646,861</u>	<u>\$ 3,574,480</u>	<u>\$ 7,221,341</u>

See accompanying Notes to Financial Statements.

**MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2025**

	Program Services				Support Services			Direct Donor Benefits	Total
	Wish Granting	Training and Development	Public Information	Total Program Services	Fundraising	Management and General	Total Support Services		
Direct Costs of Wishes	\$ 2,499,317	\$ -	\$ -	\$ 2,499,317	\$ -	\$ -	\$ -	\$ -	\$ 2,499,317
Salaries, Taxes, and Benefits	577,299	2,935	153,962	734,196	591,168	473,072	1,064,240	-	1,798,436
Printing, Subscriptions, and Publications	2,588	-	-	2,588	15,671	4,465	20,136	-	22,724
Professional Fees	28,872	-	-	28,872	79,855	112,595	192,450	-	221,322
Rent and Utilities	38,328	-	-	38,328	41,614	32,157	73,771	-	112,099
Postage and Delivery	10,197	-	-	10,197	4,548	3,745	8,293	-	18,490
Travel	1,041	-	-	1,041	12,058	8,547	20,605	-	21,646
Meetings and Conferences	131	-	-	131	7,906	3,978	11,884	-	12,015
Office Supplies	4,417	-	-	4,417	4,434	3,918	8,352	-	12,769
Advertising and Media (Cash)	-	-	-	-	21,900	-	21,900	-	21,900
Advertising and Media (In-Kind)	-	-	-	-	4,090	-	4,090	-	4,090
Communications	14,821	14	719	15,554	15,782	11,547	27,329	-	42,883
Repairs and Maintenance	15,102	-	-	15,102	16,397	11,650	28,047	-	43,149
Membership Dues	-	-	-	-	175	1,432	1,607	-	1,607
Insurance	730	-	-	730	336	396	732	-	1,462
National Partnership Dues	291,051	-	-	291,051	66,526	58,210	124,736	-	415,787
Miscellaneous	28,233	-	-	28,233	58,412	165,129	223,541	-	251,774
Depreciation and Amortization	41,242	-	-	41,242	44,777	31,816	76,593	-	117,835
Special Event - Direct Donor Benefits	-	-	-	-	-	-	-	274,481	274,481
Total Expenses by Function	3,553,369	2,949	154,681	3,710,999	985,649	922,657	1,908,306	274,481	5,893,786
Less: Expenses Netted Against Revenues on the Statement of Activities:									
Special Event Expenses	-	-	-	-	-	-	-	(274,481)	(274,481)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 3,553,369	\$ 2,949	\$ 154,681	\$ 3,710,999	\$ 985,649	\$ 922,657	\$ 1,908,306	\$ -	\$ 5,619,305

See accompanying Notes to Financial Statements.

**MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2024**

	Program Services			Support Services			Direct Donor Benefits	Total
	Wish Granting	Training and Development	Public Information	Total Program Services	Fundraising	Management and General		
Direct Costs of Wishes	\$ 1,760,760	\$ -	\$ -	\$ 1,760,760	\$ -	\$ -	\$ -	\$ 1,760,760
Salaries, Taxes, and Benefits	609,694	14,711	155,545	779,950	760,857	498,616	1,259,473	2,039,423
Printing, Subscriptions, and Publications	1,160	-	586	1,746	14,706	669	15,375	17,121
Professional Fees	4,653	-	24,003	28,656	27,401	120,417	147,818	176,474
Rent and Utilities	27,686	-	-	27,686	32,250	47,304	79,554	107,240
Postage and Delivery	4,461	-	-	4,461	2,155	2,080	4,235	8,696
Travel	744	514	-	1,258	17,088	8,597	25,685	26,943
Meetings and Conferences	-	-	-	-	39,832	2,129	41,961	41,961
Office Supplies	8,286	-	-	8,286	4,457	4,943	9,400	17,686
Advertising and Media (In-Kind)	-	-	-	-	14,481	-	14,481	14,481
Communications	18,787	63	700	19,550	22,640	29,264	51,904	71,454
Repairs and Maintenance	8,421	-	-	8,421	9,716	14,250	23,966	32,387
Membership Dues	-	-	-	-	545	380	925	925
Grants and Scholarships	480,000	-	-	480,000	-	-	-	480,000
Insurance	97	-	-	97	112	165	277	374
National Partnership Dues	303,475	-	-	303,475	69,366	60,695	130,061	433,536
Miscellaneous	21,588	-	-	21,588	29,895	30,633	60,528	82,116
Depreciation and Amortization	31,602	-	-	31,602	36,463	53,479	89,942	121,544
Special Event - Direct Donor Benefits	-	-	-	-	-	-	-	420,166
Total Expenses by Function	3,281,414	15,288	180,834	3,477,536	1,081,964	873,621	1,955,585	5,853,287
Less: Expenses Netted Against Revenues on the Statement of Activities:								
Special Event Expenses	-	-	-	-	-	-	-	(420,166)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 3,281,414	\$ 15,288	\$ 180,834	\$ 3,477,536	\$ 1,081,964	\$ 873,621	\$ 1,955,585	\$ 5,433,121

See accompanying Notes to Financial Statements.

**MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2025 AND 2024**

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 1,851,374	\$ 1,224,766
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	117,835	121,544
Forgiveness of Due to Related Entities	(639,760)	-
Lease Expense	(22,244)	(250)
Net Realized and Unrealized Gains on Investments	(80,809)	(54,495)
Change in Beneficial Interest in Asset Held by National	(17,459)	(26,546)
Change in Discount to Present Value of Contributions Receivable	(28,740)	(19,655)
(Increase) Decrease in Assets:		
Contributions Receivable	25,012	215,044
Due from Related Entities	(107,920)	(60,215)
Prepaid Expenses	(18,653)	25,782
Other Assets	3,127	(464,129)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	87,722	(29,943)
Due to Related Entities	(24,822)	22,882
Lease Liability	21,543	-
Deferred Revenue	1,000	-
Net Cash Provided by Operating Activities	1,167,206	954,785
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(1,693,975)	(3,221,035)
Purchase of Beneficial Interest in Assets Held by Others	-	(2,065)
Proceeds from Sales of Investments	1,569,700	3,072,550
Disposition of Beneficial Interest in Assets Held by Others	6,815	14,166
Net Cash Used by Investing Activities	(117,460)	(136,384)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Notes Payable/Line of Credit	(22,524)	(9,917)
NET CHANGE IN CASH AND CASH EQUIVALENTS	1,027,222	808,484
Cash and Cash Equivalents - Beginning of Year	1,280,178	471,694
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 2,307,400	\$ 1,280,178
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid for Interest Expense	\$ 46,536	\$ 35,499
Forgiveness of Due to Related Entities Payable	\$ 639,760	\$ -

See accompanying Notes to Financial Statements.

MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 1 ORGANIZATION

Make-A-Wish Northeastern & Central California (the Foundation) is a California 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.

During the year ended August 31, 2025, the Foundation changed their name to Make-A-Wish Foundation® Northeastern & Central California and some of the counties previously held under this chapter were transferred to Make-A-Wish Foundation® Nevada. Pledges for the Nevada counties were written off from the Foundation and recorded by the Make-A-Wish Foundation® Nevada chapter in the current year.

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 (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 NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

The Foundation determines if an arrangement is a lease at inception. Operating leases are included in right-of-use (ROU) assets – operating and lease liability – operating, and finance leases are included in ROU assets – financing and lease liability – financing in the statements of financial position.

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

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

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

Property and Equipment, Net

Property and equipment having a unit cost of greater than \$2,500 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 40 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 NORTHEASTERN & CENTRAL CALIFORNIA
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.

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 NORTHEASTERN & CENTRAL CALIFORNIA
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 \$274,481 and \$420,166 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 statements of activities. The amount of auction items received and sold during the years ended August 31, 2025 and 2024 totaled \$133,850 and \$206,497, 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. There were no conditional promises outstanding for the years ended August 31, 2025 and 2024.

**MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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

Contributions: Donated Goods and Services

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

	2025	2024
Wish Related Travel, Goods, and Services	\$ 1,165,265	\$ 684,883
Professional Services	-	21,585
Advertising and Media	4,090	14,481
Special Events	61,027	75,552
Other	-	11,208
Total Contributed Nonfinancial Assets and Services	\$ 1,230,382	\$ 807,709

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 accounting used for support services and are valued and reported at the estimated fair value based on current rates for similar services.

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

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.

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

MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

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

Management believes that no uncertain tax positions exist for the Foundation at August 31, 2025 and 2024. The Foundation files income tax returns in the U.S. federal jurisdiction, and applicable state jurisdictions.

Functional Expenses

The Foundation performs five functions: wish granting, training and development, public information, 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.

Training and Development

Activities performed by the Foundation include, but are not limited to, implementing programs that support the identification of wish candidates and the determination and delivery of the wish.

Public Information

Activities performed by the Foundation in communicating the purpose and services of the Foundation to all potential sources of wish referrals.

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.

**MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024**

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Expenses (Continued)

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 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.

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.

	2025	2024
Total Financial Assets	\$ 6,822,313	\$ 5,467,715
Donor-Imposed Restrictions:		
Restricted Funds	(269,395)	(352,764)
Endowments	(3,426,800)	(3,221,716)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 3,126,118	\$ 1,893,235

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. 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.

MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 4 FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

Fair value is defined as the amount that would be received to sell an asset 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.

Overall Investment Objective

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

Fair Value Hierarchy

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

	Level 1	Level 2	Level 3	Assets Not Measured At Fair Value	Total
<u>August 31, 2025</u>					
Assets					
Investments:					
Mutual Funds	\$ 1,849,524	\$ -	\$ -	\$ -	\$ 1,849,524
Exchange-Traded Funds	1,569,913	-	-	-	1,569,913
Equity Securities	2,050	-	-	-	2,050
Cash	-	-	-	5,313	5,313
Beneficial Interest in Assets	-	-	194,926	-	194,926
Total Assets	<u>\$ 3,421,487</u>	<u>\$ -</u>	<u>\$ 194,926</u>	<u>\$ 5,313</u>	<u>\$ 3,621,726</u>

**MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024**

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

<u>August 31, 2024</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Assets Not Measured At Fair Value</u>	<u>Total</u>
Assets					
Investments:					
Mutual Funds	\$ 3,221,716	\$ -	\$ -	\$ -	\$ 3,221,716
Beneficial Interest in Assets	-	-	184,282	-	184,282
Total Assets	<u>\$ 3,221,716</u>	<u>\$ -</u>	<u>\$ 184,282</u>	<u>\$ -</u>	<u>\$ 3,405,998</u>

For the valuation of beneficial interest in assets held by National at August 31, 2025 and 2024, the Foundation used significant unobservable inputs (Level 3). The Foundation had \$0- and \$2,065 of purchases into Level 3 investments and \$6,815 and \$14,166 of sales for the years ended August 31, 2025 and 2024.

The Basis for determining level 3 is as follows:

Beneficial Interest in Assets Held by National 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 value 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.

<u>Quantitative Information About Level 3 Fair Value Measurements</u>			
<u>Type of Assets</u>	<u>Fair Value at August 31, 2025</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>
Beneficial Interests in Assets Held by Others	<u>\$ 194,926</u>	FMV of Assets	Value of Underlying Assets
<u>Type of Assets</u>	<u>Fair Value at August 31, 2024</u>	<u>Principal Valuation Technique</u>	<u>Unobservable Inputs</u>
Beneficial Interests in Assets Held by Others	<u>\$ 184,282</u>	FMV of Assets	Value of Underlying Assets

**MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024**

NOTE 5 CONTRIBUTIONS RECEIVABLE

Contributions receivable include pledges that have been discounted at 0% and 4.2% at August 31, 2025 and 2024, respectively. The following is a summary of the Foundation's contributions receivable at August 31:

	2025	2024
Total Amounts Due in:		
Within One Year	\$ 176,459	\$ 93,223
One to Five Years	-	30,000
More than Five Years	-	100,000
Gross Contributions Receivable	176,459	223,223
Less: Allowance for Doubtful Accounts	-	(21,752)
Less: Discount to Present Value	-	(28,740)
Contributions Receivable, Net	\$ 176,459	\$ 172,731

NOTE 6 SPLIT-INTEREST AGREEMENTS

Beneficial Interest in Assets Held by National

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. The Foundation's beneficial interest in this endowment being held by the National Organization is \$194,926 and \$184,282, respectively, as of August 31, 2025 and 2024.

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 \$1,378,842 and \$1,765,191 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 \$-0- and \$480,000 during the years ended August 31, 2025 and 2024, respectively. Under this program, the Foundation received \$550,000 and \$840,000 during the years ended August 31, 2025 and 2024, respectively.

MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 7 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. Amount totaling \$545,399 and \$670,004 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 \$-0- and \$3,900 for the years ended August 31, 2025 and 2024, respectively, which is recorded in the accompanying statements of activities as other income.

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

	2025	2024
Due from National Organization	\$ 263,817	\$ 153,796
Due from Other Chapters	-	2,101
Total Due from Related Entities	<u>\$ 263,817</u>	<u>\$ 155,897</u>
Due to National Organization	\$ 6,322	\$ 639,995
Due to Other Chapters	57,740	88,649
Total Due to Related Entities	<u>\$ 64,062</u>	<u>\$ 728,644</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 year ended August 31, 2025, the National Organization forgave \$639,760 of dues to the National Organization, which is included in Other Income on the Statement of Activities.

During the years ended August 31, 2025 and 2024, the Foundation received contributions, both cash and in-kind, from board members totaling \$182,273 and \$455,376, respectively. At August 31, 2025 and 2024, amounts due from board members totaled \$-0- and are included in contributions receivable in the accompanying statements of financial position.

**MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024**

NOTE 8 PROPERTY AND EQUIPMENT, NET

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

	<u>2025</u>	<u>2024</u>
Land	\$ 659,143	\$ 659,143
Buildings and Building Improvements	4,299,831	4,299,831
Computer Equipment and Software	62,212	62,212
Office Furniture	100,031	100,031
Automobiles	-	18,830
Total	<u>5,121,217</u>	<u>5,140,047</u>
Less: Accumulated Depreciation	<u>(1,889,768)</u>	<u>(1,790,763)</u>
Property and Equipment, Net	<u>\$ 3,231,449</u>	<u>\$ 3,349,284</u>

Depreciation expense totaled \$117,835 and \$121,545, respectively, for the years ended August 31, 2025 and 2024.

NOTE 9 NOTES PAYABLE

The Foundation has an unsecured line of credit with a financial institution totaling \$250,000, bearing interest at the Prime rate plus 1% and expires on January 24, 2027. The Prime rate was 7.5% at August 31, 2025. There was \$-0- outstanding on this line of credit as of August 31, 2025 and 2024. The line of credit is subject to various financial and nonfinancial covenants. The Foundation met all the covenant requirements for the year ending August 31, 2025.

On June 16, 2012, the Foundation entered into a note payable with a financial institution totaling \$700,000. The note bore interest at 4.25%, required principal payments in equal monthly installments of \$3,816 and a balloon payment of the remaining balance on June 18, 2022, and was secured by the building. The note was extended in 2022 with an interest rate of 5.56% and required principal payments in equal monthly installments of \$3,144 and a balloon payment of the remaining balance on June 13, 2032.

In addition, the Foundation entered into a note payable with the U.S. Small Business Administration totaling \$150,000. The note bears interest at 2.75%, requires principal payments in equal monthly installments of \$641. The note is due on June 18, 2050.

The remaining principal payments subsequent to August 31, 2025 are as follows:

<u>Year Ending August 31,</u>	<u>Amount</u>
2026	\$ 14,468
2027	15,629
2028	16,516
2029	17,460
2030	18,461
Thereafter	<u>528,703</u>
Total	<u>\$ 611,237</u>

MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

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 2029.

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

	<u>2025</u>	<u>2024</u>
Operating Lease Cost	\$ 49,974	\$ 55,541
Other Information:		
Operating Cash Flows from Operating Leases	\$ 50,674	\$ 55,790
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 69,425	\$ -
Weighted Average Remaining Lease Term - Operating Leases	3.9 Years	1.3 Years
Weighted-Average Discount Rate - Operating Leases	3.53%	3.50%

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

<u>Year Ending August 31,</u>	<u>Operating Leases</u>
2026	\$ 17,453
2027	17,453
2028	17,239
2029	14,885
2030	1,239
Total Lease Payments	<u>68,269</u>
Less: Imputed Interest	<u>(4,438)</u>
Present Value of Lease Liabilities	<u>\$ 63,831</u>

**MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024**

NOTE 11 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	\$ 74,469	\$ 67,222
Subject to Passage of Time:		
Beneficial Interests in Charitable Trusts Held by Others	194,926	184,282
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	-	101,260
Total	<u>269,395</u>	<u>352,764</u>
Endowments:		
Subject to Endowment Spending Policy and Appropriation:		
Earnings on Endowment Funds	394,256	189,172
Original Donor-Restricted Gift Amount to be Maintained in Perpetuity:		
General Operations	<u>3,032,544</u>	<u>3,032,544</u>
Total	<u>3,426,800</u>	<u>3,221,716</u>
Total Donor-Restricted Net Assets	<u>\$ 3,696,195</u>	<u>\$ 3,574,480</u>

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 one 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.

**MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024**

NOTE 12 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law

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

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

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

	Without Donor Restrictions	With Donor Restrictions	Total
<u>August 31, 2025</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 3,426,800	\$ 3,426,800
<u>August 31, 2024</u>			
Donor-Restricted Endowment Funds	\$ -	\$ 3,221,716	\$ 3,221,716

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

	Without Donor Restrictions	With Donor Restrictions	Total
<u>August 31, 2025</u>			
Endowment Funds - Beginning of Year	\$ -	\$ 3,221,716	\$ 3,221,716
Investment Return:			
Investment Income	-	124,275	124,275
Net Appreciation (Realized and Unrealized)	-	80,809	80,809
Total Investment Return	-	205,084	205,084
Appropriation of Endowment Asset for Expenditure	-	-	-
Endowment Funds - End of Year	\$ -	\$ 3,426,800	\$ 3,426,800

**MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024**

NOTE 12 ENDOWMENTS (CONTINUED)

Interpretation of Relevant Law (Continued)

August 31, 2024	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds - Beginning of Year	\$ -	\$ 3,018,736	\$ 3,018,736
Investment Return:			
Investment Income	-	148,485	148,485
Net Appreciation (Realized and Unrealized)	-	54,495	54,495
Total Investment Return	-	202,980	202,980
Appropriation of Endowment Asset for Expenditure	-	-	-
Endowment Funds - End of Year	<u>\$ -</u>	<u>\$ 3,221,716</u>	<u>\$ 3,221,716</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. As of August 31, 2025 and 2024 there were no fund deficiencies.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment fund(s) while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified periods. 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 equal to or greater than the rate of inflation (Consumer Price Index) plus any spending and administrative expenses thus, at a minimum, maintaining the purchasing power of those assets managed by the Foundation. 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.

MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 12 ENDOWMENTS (CONTINUED)

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year 5% of its endowment fund's average fair value over the prior 12 quarters through the calendar year-end preceding the fiscal year in which the distribution is planned. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 5% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term as well as to provide additional real growth through new gifts and investment return.

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. The Foundation amended the Plan effective January 1, 2019 to make it a safe harbor plan with 4% matching contributions. Foundation contributions to the Plan for the years ended August 31, 2025 and 2024 were \$34,102 and \$51,735, respectively.

NOTE 14 CONCENTRATIONS

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

Contributions totaling \$1,349,722 and \$851,036 were received from one donor, for the years ended August 31, 2025 and 2024, respectively, which represents 20% and 12%, 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.

Pledges receivable from three donors represent 98% of the total pledges receivable at August 31, 2025. Pledges receivable from two donors represent 89% of the total pledges receivable as of August 31, 2024.

MAKE-A-WISH NORTHEASTERN & CENTRAL CALIFORNIA
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 15 LITIGATION AND CLAIMS

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

NOTE 16 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the years ending August 31, 2025 and 2024, the Foundation granted 227 and 181 wishes, respectively. As of August 31, 2025 and 2024, respectively, there were approximately 492 and 571 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2025 was \$5,939 in cash and \$5,119 in in-kind for a total cost of \$11,058. The average cost of a wish for the year ended August 31, 2024 was \$4,990 in cash and \$5,017 in in-kind for a total cost of \$10,007.

NOTE 17 EMPLOYEE RETENTION CREDIT

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. During the year ended August 31, 2024, the Foundation applied for Employee Retention Credit (ERC) grant funding from the Internal Revenue Service. The Foundation recognized \$452,911 of grant revenue related to performance requirements being met in compliance with the program during the year ended August 31, 2024. This grant is receivable as of August 31, 2025, and is included in Other Assets.

NOTE 18 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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