

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



CPAs | CONSULTANTS | WEALTH ADVISORS

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**MAKE-A-WISH FOUNDATION® OF COLORADO  
TABLE OF CONTENTS  
YEARS ENDED AUGUST 31, 2025 AND 2024**

|  |          |
|--|----------|
| <b>INDEPENDENT AUDITORS' REPORT</b>      | <b>1</b> |
| <b>FINANCIAL STATEMENTS</b>              |          |
| <b>STATEMENTS OF FINANCIAL POSITION</b>  | <b>3</b> |
| <b>STATEMENTS OF ACTIVITIES</b>          | <b>4</b> |
| <b>STATEMENTS OF FUNCTIONAL EXPENSES</b> | <b>6</b> |
| <b>STATEMENTS OF CASH FLOWS</b>          | <b>8</b> |
| <b>NOTES TO FINANCIAL STATEMENTS</b>     | <b>9</b> |



## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Make-A-Wish Foundation® of Colorado  
Greenwood Village, Colorado

### Report on the Audit of the Financial Statements

#### **Opinion**

We have audited the financial statements of Make-A-Wish Foundation® of Colorado (a nonprofit organization) (the Foundation), which comprise the statements of financial position as of August 31, 2025 and 2024, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Make-A-Wish Foundation® of Colorado 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 Colorado 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 Colorado'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 Colorado'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 Colorado's ability to continue as a going concern for a reasonable period of time.

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

*CliftonLarsonAllen LLP*

**CliftonLarsonAllen LLP**

Minneapolis, Minnesota  
February 17, 2026

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

|  | 2025          | 2024          |
|--|---------------|---------------|
| <b>ASSETS</b>                                |               |               |
| Cash and Cash Equivalents                    | \$ 810,532    | \$ 761,998    |
| Investments                                  | 8,370,488     | 6,233,263     |
| Due from Related Entities                    | 313,422       | 321,452       |
| Prepaid Expenses                             | 159,773       | 318,287       |
| Contributions Receivable, Net                | 377,272       | 2,043,034     |
| Other Assets                                 | 20,001        | 39,782        |
| Split-Interest Agreements                    | 39,075        | 37,872        |
| Beneficial Interest in Assets Held by Others | 382,243       | 355,794       |
| Right-of-Use Assets - Operating              | 1,566,659     | 1,701,397     |
| Right-of-Use Assets - Finance                | 25,967        | 45,939        |
| Property and Equipment, Net                  | 85,384        | 96,156        |
| Total Assets                                 | \$ 12,150,816 | \$ 11,954,974 |
| <b>LIABILITIES AND NET ASSETS</b>            |               |               |
| <b>LIABILITIES</b>                           |               |               |
| Accounts Payable and Accrued Expenses        | \$ 519,811    | \$ 546,745    |
| Due to Related Entities                      | 47,318        | 116,621       |
| Lease Liability - Operating                  | 1,642,175     | 1,764,721     |
| Lease Liability - Financing                  | 27,186        | 47,314        |
| Total Liabilities                            | 2,236,490     | 2,475,401     |
| <b>NET ASSETS</b>                            |               |               |
| Without Donor Restrictions                   | 7,518,817     | 7,149,332     |
| With Donor Restrictions                      | 2,395,509     | 2,330,241     |
| Total Net Assets                             | 9,914,326     | 9,479,573     |
| Total Liabilities and Net Assets             | \$ 12,150,816 | \$ 11,954,974 |

See accompanying Notes to Financial Statements.

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

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|---|-------------------------------|----------------------------|---------------------|
| <b>REVENUES, GAINS, AND OTHER SUPPORT</b>           |                               |                            |                     |
| Public Support:                                     |                               |                            |                     |
| Contributions, Cash                                 | \$ 5,370,499                  | \$ 17,000                  | \$ 5,387,499        |
| Contributions, Donated Goods and Services           | 1,987,849                     | 314,918                    | 2,302,767           |
| Grants  | 88,868                        | -                          | 88,868              |
| Total Public Support                                | 7,447,216                     | 331,918                    | 7,779,134           |
| <br>  |                               |                            |                     |
| Internal Special Events, Cash                       | 923,571                       | -                          | 923,571             |
| Internal Special Events, Donated Goods and Services | 84,197                        | -                          | 84,197              |
| Less: Costs of Direct Benefits to Donors            | (227,896)                     | -                          | (227,896)           |
| Total Internal Special Events                       | 779,872                       | -                          | 779,872             |
| <br>  |                               |                            |                     |
| Investment Income, Net                              | 516,685                       | 132,273                    | 648,958             |
| Other Income  | 25,417                        | 42,919                     | 68,336              |
| Net Assets Released from Restrictions               | 443,045                       | (443,045)                  | -                   |
| <br>  |                               |                            |                     |
| Total Revenues, Gains, and Other Support            | 9,212,235                     | 64,065                     | 9,276,300           |
| <br><b>EXPENSES</b>                                 |                               |                            |                     |
| Program Services:                                   |                               |                            |                     |
| Wish Granting                                       | 6,819,315                     | -                          | 6,819,315           |
| Total Program Services                              | 6,819,315                     | -                          | 6,819,315           |
| <br>  |                               |                            |                     |
| Support Services:                                   |                               |                            |                     |
| Fundraising   | 1,359,540                     | -                          | 1,359,540           |
| Management and General                              | 663,895                       | -                          | 663,895             |
| Total Support Services                              | 2,023,435                     | -                          | 2,023,435           |
| <br>  |                               |                            |                     |
| Total Expenses                                      | 8,842,750                     | -                          | 8,842,750           |
| <br><b>OTHER GAINS</b>                              |                               |                            |                     |
| Change in Split Interest Agreements                 | -                             | 1,203                      | 1,203               |
| <br><b>CHANGE IN NET ASSETS</b>                     |                               |                            |                     |
|   | 369,485                       | 65,268                     | 434,753             |
| <br>  |                               |                            |                     |
| Net Assets - Beginning of Year                      | 7,149,332                     | 2,330,241                  | 9,479,573           |
| <br>  |                               |                            |                     |
| <b>NET ASSETS - END OF YEAR</b>                     | <b>\$ 7,518,817</b>           | <b>\$ 2,395,509</b>        | <b>\$ 9,914,326</b> |

See accompanying Notes to Financial Statements.

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

|   | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total        |
|---|-------------------------------|----------------------------|--------------|
| <b>REVENUES, GAINS, AND OTHER SUPPORT</b>           |                               |                            |              |
| Public Support:                                     |                               |                            |              |
| Contributions, Cash                                 | \$ 5,094,782                  | \$ 1,499,597               | \$ 6,594,379 |
| Contributions, Donated Goods and Services           | 2,054,854                     | 401,478                    | 2,456,332    |
| Grants  | 431,214                       | 2,500                      | 433,714      |
| Total Public Support                                | 7,580,850                     | 1,903,575                  | 9,484,425    |
| Internal Special Events, Cash                       | 942,371                       | -                          | 942,371      |
| Internal Special Events, Donated Goods and Services | 72,999                        | -                          | 72,999       |
| Less: Costs of Direct Benefits to Donors            | (204,842)                     | -                          | (204,842)    |
| Total Internal Special Events                       | 810,528                       | -                          | 810,528      |
| Investment Income, Net                              | 697,558                       | -                          | 697,558      |
| Other Income  | 23,199                        | 76,498                     | 99,697       |
| Net Assets Released from Restrictions               | 406,847                       | (406,847)                  | -            |
| Total Revenues, Gains, and Other Support            | 9,518,982                     | 1,573,226                  | 11,092,208   |
| <b>EXPENSES</b>                                     |                               |                            |              |
| Program Services:                                   |                               |                            |              |
| Wish Granting                                       | 6,747,314                     | -                          | 6,747,314    |
| Total Program Services                              | 6,747,314                     | -                          | 6,747,314    |
| Support Services:                                   |                               |                            |              |
| Fundraising   | 1,433,008                     | -                          | 1,433,008    |
| Management and General                              | 793,258                       | -                          | 793,258      |
| Total Support Services                              | 2,226,266                     | -                          | 2,226,266    |
| Total Expenses                                      | 8,973,580                     | -                          | 8,973,580    |
| <b>OTHER GAINS</b>                                  |                               |                            |              |
| Change in Split Interest Agreements                 | -                             | 4,839                      | 4,839        |
| <b>CHANGE IN NET ASSETS</b>                         | 545,402                       | 1,578,065                  | 2,123,467    |
| Net Assets - Beginning of Year                      | 6,603,930                     | 752,176                    | 7,356,106    |
| <b>NET ASSETS - END OF YEAR</b>                     | \$ 7,149,332                  | \$ 2,330,241               | \$ 9,479,573 |

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF COLORADO**  
**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   | \$ 4,846,117        | \$ -                | \$ -                   | \$ -                   | \$ -           | \$ -                  | \$ 4,846,117        |
| Salaries, Taxes, and Benefits  | 1,226,706           | 926,287             | 350,489                | 1,276,776              | -              | -                     | 2,503,482           |
| Printing, Subscriptions, and Publications  | 3,808               | 11,994              | 624                    | 12,618                 | -              | -                     | 16,426              |
| Professional Fees  | 13,817              | 45,224              | 104,864                | 150,088                | -              | -                     | 163,905             |
| Rent and Utilities   | 93,215              | 70,387              | 26,633                 | 97,020                 | -              | -                     | 190,235             |
| Postage and Delivery   | 7,564               | 4,292               | 3,501                  | 7,793                  | -              | -                     | 15,357              |
| Travel   | 5,320               | 4,770               | 8,783                  | 13,553                 | -              | -                     | 18,873              |
| Meetings and Conferences   | 40,758              | 23,771              | 10,660                 | 34,431                 | -              | -                     | 75,189              |
| Office Supplies  | 51,400              | 17,964              | 1,902                  | 19,866                 | -              | -                     | 71,266              |
| Communications   | 9,316               | 7,773               | 2,635                  | 10,408                 | -              | -                     | 19,724              |
| Advertising and Media (Cash)   | -                   | 16,702              | -                      | 16,702                 | -              | -                     | 16,702              |
| Advertising and Media (In-Kind)  | 65,755              | 65,137              | 19,026                 | 84,163                 | -              | -                     | 149,918             |
| Repairs and Maintenance  | 3,978               | 3,004               | 1,136                  | 4,140                  | -              | -                     | 8,118               |
| Insurance  | 468                 | -                   | -                      | -                      | -              | -                     | 468                 |
| Bad Debt Expense   | -                   | 632                 | -                      | 632                    | -              | -                     | 632                 |
| Membership Dues  | -                   | 624                 | 26,861                 | 27,485                 | -              | -                     | 27,485              |
| National Partnership Dues  | 416,942             | 95,301              | 83,388                 | 178,689                | -              | -                     | 595,631             |
| Miscellaneous  | 13,984              | 50,450              | 17,631                 | 68,081                 | -              | -                     | 82,065              |
| Depreciation and Amortization  | 20,167              | 15,228              | 5,762                  | 20,990                 | -              | -                     | 41,157              |
| Special Event - Direct Donor Benefits  | -                   | -                   | -                      | -                      | 227,896        | -                     | 227,896             |
| <b>Total Expenses by Function</b>  | <b>6,819,315</b>    | <b>1,359,540</b>    | <b>663,895</b>         | <b>2,023,435</b>       | <b>227,896</b> |                       | <b>9,070,646</b>    |
| Less: Expenses Netted Against Revenues on the Statement of Activities:               |                     |                     |                        |                        |                |                       |                     |
| Special Event Expenses   | -                   | -                   | -                      | -                      | (227,896)      |                       | (227,896)           |
| <b>Total Expenses Included in the Expense Section of the Statement of Activities</b> | <b>\$ 6,819,315</b> | <b>\$ 1,359,540</b> | <b>\$ 663,895</b>      | <b>\$ 2,023,435</b>    | <b>\$ -</b>    |                       | <b>\$ 8,842,750</b> |

See accompanying Notes to Financial Statements.

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

|  | Program Services    |                     | Support Services       |                        |                       |                     |
|--|---------------------|---------------------|------------------------|------------------------|-----------------------|---------------------|
|  | Wish Granting       | Fundraising         | Management and General | Total Support Services | Direct Donor Benefits | Total               |
| Direct Costs of Wishes   | \$ 4,898,289        | \$ -                | \$ -                   | \$ -                   | \$ -                  | \$ 4,898,289        |
| Salaries, Taxes, and Benefits  | 1,175,042           | 681,524             | 493,517                | 1,175,041              | -                     | 2,350,083           |
| Printing, Subscriptions, and Publications  | 8,985               | 28,646              | 2,725                  | 31,371                 | -                     | 40,356              |
| Professional Fees  | 20,750              | 40,532              | 98,380                 | 138,912                | -                     | 159,662             |
| Rent and Utilities   | 95,391              | 55,326              | 40,064                 | 95,390                 | -                     | 190,781             |
| Postage and Delivery   | 6,882               | 1,468               | 4,425                  | 5,893                  | -                     | 12,775              |
| Travel   | 3,411               | 4,948               | 6,509                  | 11,457                 | -                     | 14,868              |
| Meetings and Conferences   | 34,514              | 34,737              | 13,340                 | 48,077                 | -                     | 82,591              |
| Office Supplies  | 39,326              | 1,700               | 985                    | 2,685                  | -                     | 42,011              |
| Communications   | 12,613              | 8,156               | 5,298                  | 13,454                 | -                     | 26,067              |
| Advertising and Media (Cash)   | -                   | 39                  | -                      | 39                     | -                     | 39                  |
| Advertising and Media (In-Kind)  | -                   | 428,346             | -                      | 428,346                | -                     | 428,346             |
| Repairs and Maintenance  | 2,641               | 1,532               | 1,109                  | 2,641                  | -                     | 5,282               |
| Insurance  | -                   | 289                 | -                      | 289                    | -                     | 289                 |
| Bad Debt Expense   | -                   | 4,317               | -                      | 4,317                  | -                     | 4,317               |
| Membership Dues  | 120                 | 256                 | 21,941                 | 22,197                 | -                     | 22,317              |
| National Partnership Dues  | 416,614             | 95,226              | 83,323                 | 178,549                | -                     | 595,163             |
| Miscellaneous  | 12,627              | 34,303              | 13,196                 | 47,499                 | -                     | 60,126              |
| Depreciation and Amortization  | 20,109              | 11,663              | 8,446                  | 20,109                 | -                     | 40,218              |
| Special Event - Direct Donor Benefits  | -                   | -                   | -                      | -                      | 204,842               | 204,842             |
| <b>Total Expenses by Function</b>  | <b>6,747,314</b>    | <b>1,433,008</b>    | <b>793,258</b>         | <b>2,226,266</b>       | <b>204,842</b>        | <b>9,178,422</b>    |
| Less: Expenses Netted Against Revenues on the Statement of Activities:               |                     |                     |                        |                        |                       |                     |
| Special Event Expenses   | -                   | -                   | -                      | -                      | (204,842)             | (204,842)           |
| <b>Total Expenses Included in the Expense Section of the Statement of Activities</b> | <b>\$ 6,747,314</b> | <b>\$ 1,433,008</b> | <b>\$ 793,258</b>      | <b>\$ 2,226,266</b>    | <b>\$ -</b>           | <b>\$ 8,973,580</b> |

See accompanying Notes to Financial Statements.

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

|  | 2025         | 2024         |
|--|--------------|--------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |              |              |
| Change in Net Assets   | \$ 434,753   | \$ 2,123,467 |
| Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities: |              |              |
| Depreciation   | 21,185       | 20,869       |
| Amortization of Right-of-Use Asset, Finance Lease  | 19,973       | 19,347       |
| Bad Debt Expense and Other   | 632          | 4,317        |
| Net Realized and Unrealized (Gains) Loss on Investments  | (404,824)    | (482,574)    |
| Change in Value of Beneficial Interest Held by Others  | (26,449)     | (61,688)     |
| Change in Value of Split-Interest Agreements   | (1,203)      | (4,839)      |
| Change in Discount to Present Value of Contributions Receivable                                    | (403)        | (1,309)      |
| Change in Operating Right-of-Use Assets and Lease Liabilities                                      | 13,426       | 17,728       |
| (Increase) Decrease in Assets:   |              |              |
| Contributions Receivable   | 1,665,533    | (1,508,105)  |
| Due from Related Entities  | 8,030        | 8,419        |
| Prepaid Expenses   | 158,514      | (58,977)     |
| Other Assets   | 19,781       | (920)        |
| Increase (Decrease) in Liabilities:  |              |              |
| Accounts Payable and Accrued Expenses  | (26,934)     | (3,463)      |
| Due to Related Entities  | (69,303)     | (73,109)     |
| Deferred Revenue   | -            | (100,000)    |
| Net Cash Provided (Used) by Operating Activities   | 1,812,711    | (100,837)    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |              |              |
| Purchases of Investments   | (12,614,599) | (5,189,457)  |
| Proceeds from Sales of Investments   | 10,882,198   | 5,549,775    |
| Purchases of Property and Equipment  | (10,413)     | -            |
| Net Cash Provided (Used) by Investing Activities   | (1,742,814)  | 360,318      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>  |              |              |
| Principal Payments on Finance Lease Obligations  | (21,363)     | (20,693)     |
| Net Cash Used by Financing Activities  | (21,363)     | (20,693)     |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>   | 48,534       | 238,788      |
| Cash and Cash Equivalents - Beginning of Year  | 761,998      | 523,210      |
| <b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>   | \$ 810,532   | \$ 761,998   |
| <b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>   |              |              |
| Cash Paid for Interest Expense   | \$ 1,236     | \$ 1,825     |
| Right-of-Use Assets Obtained in Exchange for New Finance Lease Liabilities                         | \$ -         | \$ 15,201    |

See accompanying Notes to Financial Statements.

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

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of Colorado (the Foundation) is a Colorado nonprofit corporation, organized for the purpose of creating life changing wishes for children with critical illness. 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 (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.

**Beneficial Interest in Assets Held by Others**

The Foundation is a 2% beneficiary of a trust held by a third-party. The asset was recorded as a donor-restricted contribution at the present value of the estimated future cash receipts. The valuation of the Foundation's interest in the trust is adjusted to fair market value at the statement of financial position date.

**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 COLORADO**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2025 AND 2024**

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

**Leases**

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

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

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

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

**Property and Equipment, Net**

Property and equipment having a unit cost of greater than \$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 10 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 COLORADO**  
**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 FOUNDATION® OF COLORADO**  
**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, depending on the nature of the 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 \$227,896 and \$204,842 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 \$184,173 and \$190,426, respectively.

Donated advertising and media is reported as contribution revenue and fundraising expense when received and the reporting of such contributions is unaffected by whether the Foundation could afford to purchase or would have purchased the assets at their fair value.

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.

**MAKE-A-WISH FOUNDATION® OF COLORADO**  
**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:

|   | <u>2025</u>         | <u>2024</u>         |
|---|---------------------|---------------------|
| Wish Related Travel, Goods, and Services              | \$ 2,157,597        | \$ 2,073,877        |
| Advertising and Media                                 | 140,625             | 381,860             |
| Special Events  | 84,197              | 72,999              |
| Other   | <u>4,545</u>        | <u>595</u>          |
| Total Contributed Nonfinancial<br>Assets and Services | <u>\$ 2,386,964</u> | <u>\$ 2,529,331</u> |

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

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

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

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

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

**Functional Expenses**

The Foundation performs three functions: wish granting, fundraising, and management and general. Definitions of these functions are as follows:

**Wish Granting**

Activities performed by the Foundation in granting wishes to children with critical illnesses.

**Fundraising**

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations.

**Management and General**

All costs not identifiable with 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 GAAP requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

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

**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   | \$ 9,871,714 | \$ 9,359,747 |
| Donor-Imposed Restrictions:  |              |              |
| Restricted Funds Not Available for Use in One Year                                     | (2,356,434)  | (2,282,369)  |
| Net Financial Assets after Donor-Imposed Restrictions                                  | 7,515,280    | 7,077,378    |
| Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year | \$ 7,515,280 | \$ 7,077,378 |

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

**NOTE 4 BENEFICIAL INTEREST IN ASSETS HELD BY OTHERS**

The Foundation is named as a 2% beneficiary of a perpetual trust held at a third-party. The Foundation will receive 2% of the designated distributions from the trust. The total value of the Foundation's interests in the trust at August 31, 2025 and 2024 totaled \$382,243 and \$355,794, respectively. Distributions from the trust in 2025 and 2024 totaled \$16,470 and \$14,810, respectively.

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

**NOTE 5 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 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:

|                           | 2025                |                     |                   |                                     |                     |
|---------------------------|---------------------|---------------------|-------------------|-------------------------------------|---------------------|
|                           | Level 1             | Level 2             | Level 3           | Assets Not<br>Held at<br>Fair Value | Total               |
| <b>Assets</b>             |                     |                     |                   |                                     |                     |
| Investments:              |                     |                     |                   |                                     |                     |
| Mutual Funds              | \$ 3,210            | \$ -                | \$ -              | \$ -                                | \$ 3,210            |
| Exchange-Traded Funds     | 4,307,776           | -                   | -                 | -                                   | 4,307,776           |
| Debt Securities           | -                   | 3,223,768           | -                 | -                                   | 3,223,768           |
| Total                     | 4,310,986           | 3,223,768           | -                 | -                                   | 7,534,754           |
| Cash                      | -                   | -                   | -                 | 835,734                             | 835,734             |
| Total Investments         | 4,310,986           | 3,223,768           | -                 | 835,734                             | 8,370,488           |
| Beneficial Interest in    |                     |                     |                   |                                     |                     |
| Assets Held by Others     | -                   | -                   | 382,243           | -                                   | 382,243             |
| Split-Interest Agreements | -                   | -                   | 39,075            | -                                   | 39,075              |
| Total Assets              | <u>\$ 4,310,986</u> | <u>\$ 3,223,768</u> | <u>\$ 421,318</u> | <u>\$ 835,734</u>                   | <u>\$ 8,791,806</u> |

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

**NOTE 5 FAIR VALUE MEASUREMENTS (CONTINUED)**

**Fair Value Hierarchy (Continued)**

|                           | 2024                |                     |                   |                               | Total               |
|---------------------------|---------------------|---------------------|-------------------|-------------------------------|---------------------|
|                           | Level 1             | Level 2             | Level 3           | Assets Not Held at Fair Value |                     |
| <b>Assets</b>             |                     |                     |                   |                               |                     |
| Investments:              |                     |                     |                   |                               |                     |
| Mutual Funds              | \$ 2,065,538        | \$ -                | \$ -              | \$ -                          | \$ 2,065,538        |
| Exchange-Traded Funds     | 1,237,030           | -                   | -                 | -                             | 1,237,030           |
| Debt Securities           | -                   | 2,148,667           | -                 | -                             | 2,148,667           |
| Total                     | 3,302,568           | 2,148,667           | -                 | -                             | 5,451,235           |
| Cash                      | -                   | -                   | -                 | 782,028                       | \$ 782,028          |
| Total Investments         | 3,302,568           | -                   | -                 | 782,028                       | 6,233,263           |
| Beneficial Interest in    |                     |                     |                   |                               |                     |
| Assets Held by Others     | -                   | -                   | 355,794           | -                             | 355,794             |
| Split-Interest Agreements | -                   | -                   | 37,872            | -                             | 37,872              |
| Total Assets              | <u>\$ 3,302,568</u> | <u>\$ 2,148,667</u> | <u>\$ 393,666</u> | <u>\$ 782,028</u>             | <u>\$ 6,626,929</u> |

Split interest agreements are valued using the fair value of the underlying investments multiplied by the Foundation's interest. There were no purchases, sales or transfers of split interest agreements during the years ended August 31, 2025 or 2024.

**Level 3 Assets**

The following tables provide a summary of changes in fair value of the Foundation's Level 3 financial assets and liabilities for the years ended August 31:

|                             |                    |
|-----------------------------|--------------------|
|                             | Beneficial         |
|                             | Interest in Assets |
|                             | Held by Others     |
| Balance August 31, 2024     | \$ 355,794         |
| Distributions               | (16,470)           |
| Change in Value of Interest | 42,919             |
| Balance August 31, 2025     | <u>\$ 382,243</u>  |
| Balance August 31, 2023     | \$ 294,106         |
| Distributions               | (14,810)           |
| Change in Value of Interest | 76,498             |
| Balance August 31, 2024     | <u>\$ 355,794</u>  |

The unobservable inputs for Beneficiary Interest in Assets Held by Others are the underlying assets controlled by the trustee. The underlying assets consist of securities that are classified as Level 3 assets and the Foundation's fair value is determined by taking the fund or trust's total value multiplied by their interest in the fund or trust, as stated in the fund and trust document.

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

**NOTE 6 CONTRIBUTIONS RECEIVABLE**

Contributions receivable include pledges that have been discounted at a rate of 4.20% at August 31, 2025 and 4.20% at 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                 | \$ 377,272 | \$ 2,033,437 |
| One to Five Years               | -          | 10,000       |
| Gross Contributions Receivable  | 377,272    | 2,043,437    |
| Less: Discount to Present Value | -          | (403)        |
| Contributions Receivable, Net   | \$ 377,272 | \$ 2,043,034 |

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

**NOTE 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, travel, and training, scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the years ended August 31, 2025 and 2024, respectively, the Foundation received \$1,732,875 and \$1,663,081 from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that National Organization pays on behalf of the Foundation and for services provided to the Foundation by the National Organization. Amounts totaling \$724,786 and \$723,603 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 \$24,375 and \$23,200, respectively, for the years ended August 31, 2025 and 2024, which is recorded in the accompanying statements of activities as other income.

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

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

Chapters with capacity can grant wishes for peer chapters who are facing limitations to meet their local wish granting demand. These chapters providing the wish relief are paid an amount equivalent to the average cost of a wish. Under this program, the Foundation received \$12,000 and \$-0- during the years ended August 31, 2025 and 2024, respectively, to facilitate the granting of wishes for other chapters.

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

|                                 | 2025       | 2024       |
|---------------------------------|------------|------------|
| Due from National Organization  | \$ 267,224 | \$ 249,832 |
| Due from Other Chapters         | 46,198     | 71,620     |
| Total Due from Related Entities | \$ 313,422 | \$ 321,452 |
| Due to National Organization    | \$ 6,320   | \$ 10,533  |
| Due to Other Chapters           | 40,998     | 106,088    |
| Total Due to Related Entities   | \$ 47,318  | \$ 116,621 |

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 \$81,203 and \$153,624, respectively. At August 31, 2025 and 2024, amounts due from board members totaled \$10,000 and \$33,000, respectively, and are included in contributions receivable in the accompanying statements of financial position. Amounts paid to related parties for goods and services used in the Foundation's operations totaled \$345,322 and \$408,260 for the years ended August 31, 2025 and 2024, respectively.

**NOTE 8 PROPERTY AND EQUIPMENT, NET**

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

|                                 | 2025      | 2024      |
|---------------------------------|-----------|-----------|
| Computer Equipment and Software | \$ 35,164 | \$ 33,100 |
| Leasehold Improvements          | 29,701    | 29,701    |
| Office Furniture and Equipment  | 112,128   | 103,778   |
| Total                           | 176,993   | 166,579   |
| Less: Accumulated Depreciation  | (91,609)  | (70,423)  |
| Property and Equipment, Net     | \$ 85,384 | \$ 96,156 |

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

**NOTE 8 PROPRTY AND EQUIPMENT, NET (CONTINUED)**

Depreciation expense totaled \$21,185 and \$20,869, respectively, for the years ended August 31, 2025 and 2024.

**NOTE 9 LEASES**

The Foundation leases equipment as well as certain operating and office facilities for various terms under long-term, non-cancelable lease agreements. The leases expire at various dates through 2035.

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

|  | <u>2025</u>       | <u>2024</u>       |
|--|-------------------|-------------------|
| Lease Cost:  |                   |                   |
| Finance Lease Cost:  |                   |                   |
| Amortization of Right-of-Use Assets  | \$ 19,973         | \$ 19,347         |
| Interest on Lease Liabilities  | 1,236             | 1,825             |
| Operating Lease Cost   | <u>188,964</u>    | <u>188,964</u>    |
| Total Lease Cost   | <u>\$ 210,173</u> | <u>\$ 210,136</u> |
| Other Information:   |                   |                   |
| Cash Paid for Amounts Included in the Measurement of Lease Liabilities       |                   |                   |
| Operating Flows from Financing Leases  | \$ 1,236          | \$ 1,825          |
| Operating Cash Flows from Operating Leases                                   | \$ 176,772        | \$ 173,063        |
| Financing Cash Flows from Financing Leases                                   | \$ 20,127         | \$ 18,868         |
| Right-of-Use Assets Obtained in Exchange for New Financing Lease Liabilities | \$ -              | \$ 15,201         |
| Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities | \$ -              | \$ -              |
| Weighted-Average Remaining Leases Term - Financing Leases                    | 1.8 Years         | 2.6 Years         |
| Weighted-Average Remaining Lease Term - Operating Leases                     | 9.8 Years         | 10.8 Years        |
| Weighted-Average Discount Rate - Financing Leases                            | 3.40%             | 3.42%             |
| Weighted-Average Discount Rate - Operating Leases                            | 3.20%             | 3.20%             |

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

**NOTE 9 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<br/>Leases</u> | <u>Finance<br/>Leases</u> |
|------------------------------------|-----------------------------|---------------------------|
| 2026                               | \$ 180,480                  | \$ 16,607                 |
| 2027                               | 184,189                     | 10,320                    |
| 2028                               | 187,897                     | 839                       |
| 2029                               | 191,606                     | 211                       |
| 2030                               | 195,314                     | -                         |
| Thereafter                         | 978,427                     | -                         |
| Total Lease Payments               | 1,917,913                   | 27,977                    |
| Less: Imputed Interest             | (275,738)                   | (791)                     |
| Present Value of Lease Liabilities | <u>\$ 1,642,175</u>         | <u>\$ 27,186</u>          |

**NOTE 10 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  | \$ 225,240          | \$ 365,379          |
| Total  | 225,240             | 365,379             |
| Subject to Passage of Time:  |                     |                     |
| Beneficial Interests in Charitable Trusts Held by Others   | 421,318             | 393,666             |
| Promises to Give that are Not Restricted by Donors,<br>but Which are Unavailable for Expenditure Until Due | 104,678             | 1,571,196           |
| Total  | 525,996             | 1,964,862           |
| Endowments:  |                     |                     |
| Subject to Endowment Spending Policy<br>and Appropriation:   |                     |                     |
| Earnings on Endowment Funds  | 132,273             | -                   |
| Original Donor-Restricted Gift Amount to be<br>Maintained in Perpetuity:                                   |                     |                     |
| Walter A and Charlotte Soule Family Foundation   | 1,512,000           | -                   |
| Total  | 1,644,273           | -                   |
| Total Donor-Restricted Net Assets  | <u>\$ 2,395,509</u> | <u>\$ 2,330,241</u> |

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

**NOTE 11 ENDOWMENT**

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 fund 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.

The board of directors of the Foundation has interpreted the Colorado 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<br>Restrictions | With Donor<br>Restrictions | Total        |
|----------------------------------|-------------------------------|----------------------------|--------------|
| August 31, 2025                  |                               |                            |              |
| Donor-Restricted Endowment Funds | \$ -                          | \$ 1,644,273               | \$ 1,644,273 |
| Total Funds                      | \$ -                          | \$ 1,644,273               | \$ 1,644,273 |

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

**NOTE 11 ENDOWMENT (CONTINUED)**

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

| August 31, 2025                               | Without Donor<br>Restrictions | With Donor<br>Restrictions | Total               |
|---|-------------------------------|----------------------------|---------------------|
| Endowment Funds - Beginning of Year           | \$ -                          | \$ -                       | \$ -                |
| Investment Return:                            |                               |                            |                     |
| Investment Income                             | -                             | 46,499                     | 46,499              |
| Net Appreciation (Realized and<br>Unrealized) | -                             | 85,774                     | 85,774              |
| Total Investment Return                       | -                             | 132,273                    | 132,273             |
| Contributions                                 | -                             | 1,512,000                  | 1,512,000           |
| Endowment Funds - End of Year                 | <u>\$ -</u>                   | <u>\$ 1,644,273</u>        | <u>\$ 1,644,273</u> |

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.

**Return Objectives and Risk Parameters**

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment fund(s) while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period. 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 3% 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.

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

**NOTE 11 ENDOWMENT (CONTINUED)**

**Spending Policy and How the Investment Objectives Relate to Spending Policy**

The Foundation has a policy of appropriating for distribution each year any earnings over the permanently restricted amount 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 12 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 IRC limitations. The Foundation matches employee contributions up to 5% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2025 and 2024 were \$90,322 and \$85,296, respectively.

**NOTE 13 CONCENTRATIONS**

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

Contributions totaling \$1,087,379 and \$2,732,276 were received from one and two donors, respectively, for the years ended August 31, 2025 and 2024, which represents 12% and 27% 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.

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

**NOTE 14 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 15 COMMITMENTS**

The goal of the Foundation is to grant the wish of every eligible child. During the fiscal years ended August 31, 2025 and 2024, the Foundation granted 347 and 377 wishes, respectively. As of August 31, 2025 and 2024, there were approximately 415 and 424 wish children, respectively, who are eligible for a wish. The average cost of a wish for the year ended August 31, 2025 was \$7,564 in cash and \$6,398 in in-kind for a total cost of \$13,962. The average cost of a wish for the year ended August 31, 2024 was 7,813 in cash and \$5,255 in in-kind for a total cost of \$13,068.

**NOTE 16 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statement of financial position date through February 17, 2026, the date on which the financial statements were available to be issued.



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