

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



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**MAKE-A-WISH FOUNDATION® OF ALABAMA  
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 Alabama  
Birmingham, Alabama

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

#### ***Opinion***

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Make-A-Wish Foundation® of Alabama 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 Alabama 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 Alabama'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 Alabama'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 Alabama'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**

Tempe, Arizona  
February 19, 2026

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

	2025	2024
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 2,507,327	\$ 3,123,581
Due from Related Entities	69,708	77,830
Prepaid Expenses	94,312	243,396
Contributions Receivable, Net	479,187	312,591
Accounts Receivable	166,349	83,024
Other Assets	21,223	27,154
Right-of-Use Assets - Operating	966,437	154,701
Property and Equipment, Net	54,365	56,809
Total Assets	\$ 4,358,908	\$ 4,079,086
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 235,021	\$ 230,153
Due to Related Entities	45,398	100,036
Deferred Revenue, Internal Events	132,620	39,313
Lease Liability - Operating	985,295	178,935
Total Liabilities	1,398,334	548,437
<b>NET ASSETS</b>		
Without Donor Restrictions	2,620,404	3,230,581
With Donor Restrictions	340,170	300,068
Total Net Assets	2,960,574	3,530,649
Total Liabilities and Net Assets	\$ 4,358,908	\$ 4,079,086

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Cash	\$ 1,080,707	\$ -	\$ 1,080,707
Contributions, Donated Goods and Services	1,903,023	340,170	2,243,193
Grants	59,317	-	59,317
Total Public Support	3,043,047	340,170	3,383,217
Internal Special Events, Cash	1,978,974	-	1,978,974
Internal Special Events, Donated Goods and Services	45,512	-	45,512
Less: Costs of Direct Benefits to Donors	(466,097)	-	(466,097)
Total Internal Special Events	1,558,389	-	1,558,389
Sale of Donated Goods	1,092,363	-	1,092,363
Less: Cost of Donated Goods Sold	(1,092,363)	-	(1,092,363)
Net Sale of Donated Goods	-	-	-
Investment Income, Net	123,235	-	123,235
Other Income	2,400	-	2,400
Net Assets Released from Restrictions	300,068	(300,068)	-
Total Revenues, Gains, and Other Support	5,027,139	40,102	5,067,241
<b>EXPENSES</b>			
Program Services:			
Wish Granting	3,803,676	-	3,803,676
Support Services:			
Fundraising	1,127,286	-	1,127,286
Management and General	706,354	-	706,354
Total Support Services	1,833,640	-	1,833,640
Total Expenses	5,637,316	-	5,637,316
<b>CHANGE IN NET ASSETS</b>	(610,177)	40,102	(570,075)
Net Assets - Beginning of Year	3,230,581	300,068	3,530,649
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 2,620,404</b>	<b>\$ 340,170</b>	<b>\$ 2,960,574</b>

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
<b>REVENUES, GAINS, AND OTHER SUPPORT</b>			
Public Support:			
Contributions, Cash	\$ 1,633,047	\$ -	\$ 1,633,047
Contributions, Donated Goods and Services	1,961,990	300,068	2,262,058
Grants	61,627	-	61,627
Total Public Support	3,656,664	300,068	3,956,732
Internal Special Events, Cash	1,759,955	-	1,759,955
Internal Special Events, Donated Goods and Services	34,915	-	34,915
Less: Costs of Direct Benefits to Donors	(455,547)	-	(455,547)
Total Internal Special Events	1,339,323	-	1,339,323
Sale of Donated Goods	1,017,155	-	1,017,155
Less: Cost of Donated Goods Sold	(1,017,155)	-	(1,017,155)
Net Sale of Donated Goods	-	-	-
Investment Income, Net	172,967	-	172,967
Other Income	3,750	-	3,750
Net Assets Released from Restrictions	232,331	(232,331)	-
Total Revenues, Gains, and Other Support	5,405,035	67,737	5,472,772
 <b>EXPENSES</b>			
Program Services:			
Wish Granting	3,911,477	-	3,911,477
Support Services:			
Fundraising	1,036,727	-	1,036,727
Management and General	758,087	-	758,087
Total Support Services	1,794,814	-	1,794,814
Total Expenses	5,706,291	-	5,706,291
<b>CHANGE IN NET ASSETS</b>	(301,256)	67,737	(233,519)
Net Assets - Beginning of Year	3,531,837	232,331	3,764,168
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 3,230,581</b>	<b>\$ 300,068</b>	<b>\$ 3,530,649</b>

See accompanying Notes to Financial Statements.

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

	Program	Support Services			Direct Donor	Total
	Services					
	Wish		Management	Total Support	Benefits	
	Granting	Fundraising	and General	Services		
Direct Costs of Wishes	\$ 2,911,118	\$ -	\$ -	\$ -	\$ -	\$ 2,911,118
Salaries, Taxes, and Benefits	500,762	672,898	391,970	1,064,868	-	1,565,630
Printing, Subscriptions, and Publications	10,338	31,415	17,556	48,971	-	59,309
Professional Fees	3,084	10,487	101,055	111,542	-	114,626
Rent and Utilities	31,666	42,776	25,816	68,592	-	100,258
Postage and Delivery	9,069	3,588	1,618	5,206	-	14,275
Travel	4,099	69,092	36,112	105,204	-	109,303
Meetings and Conferences	2,752	63,034	21,853	84,887	-	87,639
Office Supplies	29,922	6,873	6,289	13,162	-	43,084
Communications	5,742	9,710	6,082	15,792	-	21,534
Advertising and Media (Cash)	-	36,315	-	36,315	-	36,315
Advertising and Media (In-Kind)	-	49,562	-	49,562	-	49,562
Repairs and Maintenance	2,625	3,704	2,050	5,754	-	8,379
Insurance	499	121	328	449	-	948
Bad Debt Expense	-	8,934	-	8,934	-	8,934
Membership Dues	-	737	650	1,387	-	1,387
National Partnership Dues	277,393	63,404	55,479	118,883	-	396,276
Miscellaneous	6,604	43,882	33,244	77,126	-	83,730
Depreciation and Amortization	8,003	10,754	6,252	17,006	-	25,009
Special Event - Direct Donor Benefits	-	-	-	-	466,097	466,097
Total	<u>3,803,676</u>	<u>1,127,286</u>	<u>706,354</u>	<u>1,833,640</u>	<u>466,097</u>	<u>6,103,413</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(466,097)</u>	<u>(466,097)</u>
 Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 3,803,676</u>	<u>\$ 1,127,286</u>	<u>\$ 706,354</u>	<u>\$ 1,833,640</u>	<u>\$ -</u>	<u>\$ 5,637,316</u>

See accompanying Notes to Financial Statements.

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

	Program	Support Services			Direct Donor	Total
	Services					
	Wish		Management	Total Support	Benefits	
	Granting	Fundraising	and General	Services		
Direct Costs of Wishes	\$ 3,021,602	\$ -	\$ -	\$ -	\$ -	\$ 3,021,602
Salaries, Taxes, and Benefits	477,075	534,903	433,955	968,858	-	1,445,933
Printing, Subscriptions, and Publications	7,962	21,385	23,754	45,139	-	53,101
Professional Fees	4,237	17,104	92,772	109,876	-	114,113
Rent and Utilities	33,918	38,289	31,837	70,126	-	104,044
Postage and Delivery	13,674	3,585	2,079	5,664	-	19,338
Travel	4,653	78,140	25,483	103,623	-	108,276
Meetings and Conferences	8,130	57,107	23,104	80,211	-	88,341
Office Supplies	43,568	4,695	11,755	16,450	-	60,018
Communications	6,091	9,113	6,969	16,082	-	22,173
Advertising and Media (Cash)	-	29,376	-	29,376	-	29,376
Advertising and Media (In-Kind)	-	37,915	-	37,915	-	37,915
Repairs and Maintenance	2,329	2,913	2,117	5,030	-	7,359
Insurance	-	194	-	194	-	194
Bad Debt Expense	-	13,000	-	13,000	-	13,000
Membership Dues	-	575	1,498	2,073	-	2,073
National Partnership Dues	273,965	62,621	54,793	117,414	-	391,379
Miscellaneous	6,707	117,329	41,092	158,421	-	165,128
Depreciation and Amortization	7,566	8,483	6,879	15,362	-	22,928
Special Event - Direct Donor Benefits	-	-	-	-	455,547	455,547
Total	<u>3,911,477</u>	<u>1,036,727</u>	<u>758,087</u>	<u>1,794,814</u>	<u>455,547</u>	<u>6,161,838</u>
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(455,547)</u>	<u>(455,547)</u>
 Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 3,911,477</u>	<u>\$ 1,036,727</u>	<u>\$ 758,087</u>	<u>\$ 1,794,814</u>	<u>\$ -</u>	<u>\$ 5,706,291</u>

See accompanying Notes to Financial Statements.

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

	2025	2024
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (570,075)	\$ (233,519)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	25,009	22,928
Bad Debt Expense	8,934	13,000
Contributed Goods for Sale	(1,092,363)	(1,017,155)
Change in Operating Right-of-Use Assets and Lease Liabilities	(5,376)	(11,070)
(Increase) Decrease in Assets:		
Contributions Receivable	(175,530)	22,154
Accounts Receivable	(83,325)	(2,762)
Due from Related Entities	8,122	(14,775)
Prepaid Expenses	149,084	(91,671)
Other Assets	1,098,294	999,939
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	4,868	(65,683)
Due to Related Entities	(54,638)	47,455
Deferred Revenue	93,307	16,105
Net Cash Used by Operating Activities	(593,689)	(315,054)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchases of Property and Equipment	(22,565)	(19,943)
Net Cash Used by Investing Activities	(22,565)	(19,943)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Principal Payments on Notes Payable	-	(11,011)
Net Cash Used by Financing Activities	-	(11,011)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	(616,254)	(346,008)
Cash and Cash Equivalents - Beginning of Year	3,123,581	3,469,589
<b>CASH AND CASH EQUIVALENTS - END OF YEAR</b>	\$ 2,507,327	\$ 3,123,581
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>		
Interest Paid	\$ 577	\$ 82
Contributed Goods for Sale	\$ 1,092,363	\$ 1,017,155
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	\$ 899,185	\$ -

See accompanying Notes to Financial Statements.

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

**NOTE 1 ORGANIZATION**

Make-A-Wish Foundation® of Alabama (the Foundation) is an Alabama 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. In addition, the local chapter is obligated to comply with a chapter agreement with the National Organization and such guidelines, resolutions, and policies as may be adopted by the National Organization's board of directors.

**NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Basis of Presentation**

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

**Cash and Cash Equivalents**

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

**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.

**Accounts Receivable**

Receivables are stated at net realizable value. The Foundation uses historical loss information based on aging of receivables as the basis to determine expected credit losses for receivables. Management believes the composition of receivables at year-end is consistent with historical conditions as credit terms and practices and the customer base has not changed significantly. Accounts are individually analyzed for collectability. Write-off of receivables occurs when all collection efforts have been exhausted. The allowance for estimate of expected credit losses was \$-0- as of August 31, 2025 and 2024, respectively.

**Leases**

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

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

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

**Leases (Continued)**

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

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

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

**Property and Equipment, Net**

Property and equipment having a unit cost of greater than \$1,000 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 5 years.

Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the lease. 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 ALABAMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2025 AND 2024**

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

**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.

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 \$466,000 and \$456,000 for the years ended August 31, 2025 and 2024, respectively. The portion that is considered to be exchange revenue is recognized as revenue when the performance obligations are met which is the occurrence of the event.

Sales of donated goods are recognized at the time the donated goods are transferred to the customer, which occurs at a point in time.

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

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

**Revenue Recognition (Continued)**

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 \$247,000 and \$320,000, respectively.

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

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

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

**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	\$ 1,146,030	\$ 1,238,572
Advertising and Media	4,800	3,000
Cost of Donated Goods Sold	1,092,363	1,017,155
Special Events	45,512	34,915
Other	-	3,331
Total Contributed Nonfinancial Assets and Services	\$ 2,288,705	\$ 2,296,973

Wish related travel, goods and 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. Thrift goods received by the Foundation are valued at the and reported at the fair value based on the selling price of the goods to a third party.

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

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

**Contributions: Donated Goods and Services (Continued)**

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.

**Income Taxes**

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

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.

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

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

**Functional Expenses (Continued)**

**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 U.S. GAAP requires management to make a number of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**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	\$ 3,222,571	\$ 3,597,026
Donor-Imposed Restrictions:		
Restricted Funds	(340,170)	(300,068)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	\$ 2,882,401	\$ 3,296,958

Financial assets include cash and cash equivalents, due from related entities, contributions receivable, and accounts 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.

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

**NOTE 4 CONTRIBUTIONS RECEIVABLE**

The Foundation’s contributions receivable as of August 31, 2025 and 2024 were \$479,187 and \$312,591, respectively, which are due from eight and seven donors, respectively. All contributions receivable are due within the next twelve months. Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at August 31, 2025 and 2024.

**NOTE 5 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 \$1,137,089 and \$410,717 from these national revenue streams.

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amounts totaling \$514,683 and \$502,410 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 \$2,400 and \$3,750, respectively, for the years ended August 31, 2025 and 2024, which is recorded in the accompanying statements of activities as Other Income.

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

	2025	2024
Due from National Organization	\$ 69,708	\$ 64,356
Due from Other Chapters	-	13,474
Total Due from Related Entities	\$ 69,708	\$ 77,830
Due to National Organization	\$ 6,363	\$ 11,046
Due to Other Chapters	39,035	88,990
Total Due to Related Entities	\$ 45,398	\$ 100,036

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.

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

**NOTE 5 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)**

During the years ended August 31, 2025 and 2024, the Foundation received contributions, both cash and in-kind, from board members totaling \$129,654 and \$167,846, respectively. At August 31, 2025 and 2024, amounts due from board members totaled \$1,400 and \$-0-, respectively, and are included in contributions receivable in the accompanying statements of financial position.

**NOTE 6 PROPERTY AND EQUIPMENT, NET**

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

	2025	2024
Computer Equipment and Software	\$ 43,994	\$ 35,817
Other Equipment	128,994	115,584
Leasehold Improvements	500	500
Total	173,488	151,901
Less: Accumulated Depreciation and Amortization	(119,123)	(95,092)
Property and Equipment, Net	\$ 54,365	\$ 56,809

Depreciation expense totaled \$25,009 and \$22,928, respectively for the years ended August 31, 2025 and 2024.

**NOTE 7 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 August 2031.

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

	2025	2024
Lease Cost:		
Operating Lease Cost	\$ 91,548	\$ 91,787
Total Lease Cost	\$ 91,548	\$ 91,787

Other Information:

Cash Paid for Amounts Included in the Measurement of Lease Liabilities

Operating Cash Flows from Operating Leases	\$ 104,656	\$ 102,856
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Right-of-Use Assets Obtained in Exchange for New

Operating Lease Liabilities	\$ 899,185	\$ -
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Weighted Average Remaining Lease Term - Operating Leases

	11 Years	1.7 Years
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Weighted-Average Discount Rate - Operating Leases

	4.34%	3.30%
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**MAKE-A-WISH FOUNDATION® OF ALABAMA**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2025 AND 2024**

**NOTE 7 LEASES (CONTINUED)**

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

<u>Year Ending August 31,</u>	<u>Operating Leases</u>
2026	\$ 79,248
2027	107,598
2028	109,746
2029	111,942
2030	114,183
Thereafter	734,722
Total Lease Payments	1,257,439
Less: Imputed Interest	(272,144)
Present Value of Lease Liabilities	<u>\$ 985,295</u>

**NOTE 8 NET ASSETS**

**Net Assets With Donor Restrictions**

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

	<u>2025</u>	<u>2024</u>
Subject to Expenditure for Specified Purpose:		
Wish Granting	<u>\$ 340,170</u>	<u>\$ 300,068</u>
Total Donor-Restricted Net Assets	<u>\$ 340,170</u>	<u>\$ 300,068</u>

**NOTE 9 RETIREMENT PLAN**

The Foundation has a defined contribution retirement plan (the Plan). Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. After one year of service, the Foundation matches employee contributions based on a formula to be determined by the board of directors. Foundation contributions to the Plan for the years ended August 31, 2025 and 2024 were \$48,223 and \$29,199, respectively.

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

**NOTE 10 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.

The Foundation received payments of \$1,179,336 and \$1,017,155, respectively, for the years ended August 31, 2025 and 2024 from one source for the purchase of merchandise donations to the Foundation by the general public. This represented 100% of sale of donated merchandise. For the years ended August 31, 2025 and 2024, the donated merchandise accounts receivable represents 95% and 96% of the accounts receivable balance, respectively. Should these account levels decrease the Foundation may be adversely affected. The Foundation also received contributions totaling \$717,389 and \$718,832 from a single donor, respectively, for the years ended August 31, 2025 and 2024, which represents 13% and 12% of raised revenue which consists of total public support and gross internal special event revenue. Should these levels of support decrease, the Foundation may be adversely affected.

For the years ended August 31, 2025 and 2024, two donors and one donor represents 91% and 74% of the contributions receivable balance, respectively. Should these contribution levels decrease, the Foundation may be adversely affected.

**NOTE 11 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 198 and 214 wishes, respectively. As of August 31, 2025 and 2024, respectively, there were approximately 210 and 250 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2025 was \$9,094 in cash and \$5,619 in in-kind for a total cost of \$14,713. The average cost of a wish for the year ended August 31, 2024 was \$8,723 in cash and \$5,276 in in-kind for a total cost of \$13,999.

The Foundation has various noncancellable contracts for services to be received in fiscal year 2026. As of August 31, 2025, the Foundation has future noncancellable commitments for these contracts of approximately \$59,000.

Subsequent to year-end, the Foundation entered into noncancellable contracts for services to be received in fiscal year 2026 and 2027. As of February 19, 2026, the Foundation has future noncancellable commitments for these contracts of approximately \$113,000.

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

**NOTE 12 SUBSEQUENT EVENTS**

The Foundation has evaluated subsequent events from the statements of financial position date through February 19, 2026, the date at which the financial statements were available to be issued.



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