

**MAKE-A-WISH FOUNDATION® OF CENTRAL COAST
AND SOUTHERN CENTRAL VALLEY**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2025 AND 2024



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MAKE-A-WISH FOUNDATION® OF CENTRAL COAST AND SOUTHERN CENTRAL VALLEY
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Central Coast and Southern Central Valley
Camarillo, California

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Make-A-Wish Foundation® of Central Coast and Southern Central Valley (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 Central Coast and Southern Central Valley 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 Central Coast and Southern Central Valley 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 (GAAS), 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 Central Coast and Southern Central Valley'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 Central Coast and Southern Central Valley'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 Central Coast and Southern Central Valley'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
April 16, 2026

MAKE-A-WISH FOUNDATION® OF CENTRAL COAST AND SOUTHERN CENTRAL VALLEY
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
ASSETS		
Cash and Cash Equivalents	\$ 619,558	\$ 646,990
Investments	2,778,428	2,474,801
Due from Related Entities	68,937	224,438
Prepaid Expenses	271,540	74,628
Contributions Receivable, Net	108,437	124,551
Right-of-Use Assets - Operating	140,765	200,009
Right-of-Use Assets - Finance	3,254	4,816
Other Assets	21,485	13,109
Property and Equipment, Net	<u>7,137</u>	<u>13,368</u>
Total Assets	<u><u>\$ 4,019,541</u></u>	<u><u>\$ 3,776,710</u></u>
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 155,921	\$ 109,927
Due to Related Entities	32,245	40,063
Deferred Revenue, Internal Events	89,760	22,620
Lease Liability - Operating	142,737	202,856
Lease Liability - Financing	<u>3,439</u>	<u>4,993</u>
Total Liabilities	424,102	380,459
NET ASSETS		
Without Donor Restrictions	3,487,002	3,271,700
With Donor Restrictions	<u>108,437</u>	<u>124,551</u>
Total Net Assets	<u><u>3,595,439</u></u>	<u><u>3,396,251</u></u>
Total Liabilities and Net Assets	<u><u>\$ 4,019,541</u></u>	<u><u>\$ 3,776,710</u></u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL COAST AND SOUTHERN CENTRAL VALLEY
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2025

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 1,473,730	\$ -	\$ 1,473,730
Contributions, Donated Goods and Services	561,667	108,437	670,104
Grants	277,595	-	277,595
Total Public Support	2,312,992	108,437	2,421,429
Internal Special Events, Cash	1,236,178	-	1,236,178
Internal Special Events, Donated Goods and Services	1,277	-	1,277
Less: Costs of Direct Benefits to Donors	(521,821)	-	(521,821)
Total Internal Special Events	715,634	-	715,634
Investment Income, Net	(84,388)	-	(84,388)
Other Income	3,339	-	3,339
Net Assets Released from Restrictions	124,551	(124,551)	-
Total Revenues, Gains, and Other Support	3,072,128	(16,114)	3,056,014
EXPENSES			
Program Services:			
Wish Granting	2,195,925	-	2,195,925
Support Services:			
Fundraising	214,772	-	214,772
Management and General	446,129	-	446,129
Total Support Services	660,901	-	660,901
Total Expenses	2,856,826	-	2,856,826
CHANGE IN NET ASSETS	215,302	(16,114)	199,188
Net Assets - Beginning of Year	3,271,700	124,551	3,396,251
NET ASSETS - END OF YEAR	<u>\$ 3,487,002</u>	<u>\$ 108,437</u>	<u>\$ 3,595,439</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL COAST AND SOUTHERN CENTRAL VALLEY
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	\$ 1,043,263	\$ -	\$ 1,043,263
Contributions, Donated Goods and Services	529,055	124,551	653,606
Grants	589,880	-	589,880
Total Public Support	2,162,198	124,551	2,286,749
Internal Special Events	1,148,841	-	1,148,841
Internal Special Events, Donated Goods and Services	6,258	-	6,258
Less: Costs of Direct Benefits to Donors	(518,501)	-	(518,501)
Total Internal Special Events	636,598	-	636,598
Investment Income, Net	216,968	-	216,968
Other Income	2,114	-	2,114
Net Assets Released from Restrictions	26,992	(26,992)	-
Total Revenues, Gains, and Other Support	3,044,870	97,559	3,142,429
EXPENSES			
Program Services:			
Wish Granting	1,872,249	-	1,872,249
Support Services:			
Fundraising	207,887	-	207,887
Management and General	362,783	-	362,783
Total Support Services	570,670	-	570,670
Total Expenses	2,442,919	-	2,442,919
CHANGE IN NET ASSETS	601,951	97,559	699,510
Net Assets - Beginning of Year	2,669,749	26,992	2,696,741
NET ASSETS - END OF YEAR	<u>\$ 3,271,700</u>	<u>\$ 124,551</u>	<u>\$ 3,396,251</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL COAST AND SOUTHERN CENTRAL VALLEY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2025

	Program Services	Support Services				
	Wish Granting	Fundraising	Management and General	Total Support Services	Direct Donor Benefits	Total
Direct Costs of Wishes	\$ 1,415,769	\$ -	\$ -	\$ -	\$ -	\$ 1,415,769
Salaries, Taxes, and Benefits	474,894	105,563	266,409	371,972	-	846,866
Printing, Subscriptions, and Publications	26,952	12,638	17,332	29,970	-	56,922
Professional Fees	39,740	16,594	68,612	85,206	-	124,946
Rent and Utilities	42,104	8,837	23,615	32,452	-	74,556
Postage and Delivery	5,235	1,080	1,803	2,883	-	8,118
Travel	6,604	2,661	3,980	6,641	-	13,245
Meetings and Conferences	4,251	8,853	2,544	11,397	-	15,648
Office Supplies	35,648	1,745	6,769	8,514	-	44,162
Communications	5,270	1,280	3,935	5,215	-	10,485
Advertising and Media (Cash)	1,004	1,326	557	1,883	-	2,887
Advertising and Media (In-Kind)	-	2,200	-	2,200	-	2,200
Repairs and Maintenance	1,608	408	872	1,280	-	2,888
Insurance	-	-	349	349	-	349
Membership Dues	294	793	133	926	-	1,220
National Partnership Dues	122,686	28,042	24,537	52,579	-	175,265
Miscellaneous	7,782	21,480	21,945	43,425	-	51,207
Depreciation and Amortization	6,084	1,272	2,737	4,009	-	10,093
Special Event - Direct Donor Benefits	-	-	-	-	521,821	521,821
Total Expenses by Function	2,195,925	214,772	446,129	660,901	521,821	3,378,647
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(521,821)	(521,821)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 2,195,925</u>	<u>\$ 214,772</u>	<u>\$ 446,129</u>	<u>\$ 660,901</u>	<u>\$ -</u>	<u>\$ 2,856,826</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL COAST AND SOUTHERN CENTRAL VALLEY
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	\$ 1,224,442	\$ -	\$ -	\$ -	\$ -	\$ 1,224,442
Salaries, Taxes, and Benefits	415,095	77,292	184,847	262,139	-	677,234
Printing, Subscriptions, and Publications	12,746	10,536	5,937	16,473	-	29,219
Professional Fees	36,470	35,446	102,616	138,062	-	174,532
Rent and Utilities	43,882	8,145	19,362	27,507	-	71,389
Postage and Delivery	6,070	2,035	1,513	3,548	-	9,618
Travel	8,116	2,090	7,142	9,232	-	17,348
Meetings and Conferences	1,653	4,326	1,237	5,563	-	7,216
Office Supplies	28,517	3,402	2,835	6,237	-	34,754
Communications	3,787	627	4,666	5,293	-	9,080
Advertising and Media (Cash)	-	825	-	825	-	825
Advertising and Media (In-Kind)	-	7,946	-	7,946	-	7,946
Repairs and Maintenance	1,866	335	753	1,088	-	2,954
Insurance	-	50	-	50	-	50
Membership Dues	634	114	527	641	-	1,275
National Partnership Dues	79,790	18,238	15,958	34,196	-	113,986
Miscellaneous	6,274	35,937	14,097	50,034	-	56,308
Depreciation and Amortization	2,907	543	1,293	1,836	-	4,743
Special Event - Direct Donor Benefits	-	-	-	-	518,501	518,501
Total Expenses by Function	1,872,249	207,887	362,783	570,670	518,501	2,961,420
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(518,501)	(518,501)
Total Expenses Included in the Expense Section of the Statement of Activities	<u>\$ 1,872,249</u>	<u>\$ 207,887</u>	<u>\$ 362,783</u>	<u>\$ 570,670</u>	<u>\$ -</u>	<u>\$ 2,442,919</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL COAST AND SOUTHERN CENTRAL VALLEY
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2025 AND 2024

	<u>2025</u>	<u>2024</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 199,188	\$ 699,510
Adjustments to Reconcile Change in Net Assets to		
Net Cash Provided by Operating Activities:		
Depreciation	8,531	4,483
Amortization of Right-of-Use Asset, Finance Lease	1,562	260
Net Realized and Unrealized (Gains) Losses on Investments	92,538	(200,260)
Contributed Other Assets	(5,889)	-
Change in Operating Right-of-Use Assets and Lease Liabilities	(875)	883
(Increase) Decrease in Assets:		
Contributions Receivable	16,114	(97,559)
Due from Related Entities	155,501	(5,938)
Prepaid Expenses	(196,912)	(38,120)
Other Assets	(2,487)	(476)
Increase in Liabilities:		
Accounts Payable and Accrued Expenses	45,994	19,398
Due to Related Entities	(7,818)	(9,066)
Deferred Revenue	67,140	(7,693)
Net Cash Provided by Operating Activities	<u>372,587</u>	<u>365,422</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(1,033,851)	(2,106,233)
Proceeds from Sales of Investments	637,686	2,089,865
Purchases of Property and Equipment	(2,300)	(4,493)
Net Cash Used by Investing Activities	<u>(398,465)</u>	<u>(20,861)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Finance Lease Obligations	(1,554)	(1,496)
Net Cash Used by Financing Activities	<u>(1,554)</u>	<u>(1,496)</u>
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS	(27,432)	343,065
Cash and Cash Equivalents - Beginning of Year	<u>646,990</u>	<u>303,925</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 619,558</u></u>	<u><u>\$ 646,990</u></u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid for Interest Expense	<u>\$ 161</u>	<u>\$ 220</u>
Contributed Other Assets	<u><u>\$ 5,889</u></u>	<u><u>\$ -</u></u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF CENTRAL COAST AND SOUTHERN CENTRAL VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 1 ORGANIZATION

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Cash and Cash Equivalents

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

Investments

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

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

Contributions Receivable

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

MAKE-A-WISH FOUNDATION® OF CENTRAL COAST AND SOUTHERN CENTRAL VALLEY
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 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 greater than \$2,000 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 three to five 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 CENTRAL COAST AND SOUTHERN CENTRAL VALLEY
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 restrictions 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 CENTRAL COAST AND SOUTHERN CENTRAL VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

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

Revenue Recognition

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

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

Special event revenue consists of registrations, sponsorships and other contributions. The exchange element of the special event revenue was approximately \$522,000 and \$519,000 for the years ended August 31, 2025 and 2024, respectively. The portion that is considered to be exchange revenue is recognized as revenue when the performance obligations are met which is the occurrence of the event.

The Foundation receives auction items to be sold at its special events. Contributed auction items are valued at the gross selling price received and the value is included in internal special event revenue on the statements of activities. The amount of auction items received and sold during the years ended August 31, 2025 and 2024 totaled approximately \$208,000 and \$227,000, respectively.

Donated advertising and media is reported as contribution revenue and 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 CENTRAL COAST AND SOUTHERN CENTRAL VALLEY
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2025 AND 2024

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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

Contributions: Donated Goods and Services

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

	2025	2024
Wish Related Travel, Goods, and Services	\$ 662,015	\$ 644,810
Professional Services	-	850
Advertising and Media	2,200	7,946
Special Events	1,277	6,258
Other	5,889	-
Total Contributed Nonfinancial Assets and Services	<u>\$ 671,381</u>	<u>\$ 659,864</u>

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.

Professional services relate to consulting 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.

Other donated goods and services consist of donated goods for external events. These donated goods are reported at the estimated fair value of the current market rates for similar goods in the Foundation's market.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions: Donated Goods and Services (Continued)

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

Income Taxes

The Foundation is a nonprofit organization exempt from federal income and California income taxes under the provisions of 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. During the fiscal years ended August 31, 2025 and 2024, the Foundation incurred no joint costs.

Management and General

All costs not identifiable with the 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.

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NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 months to 24 months of liquidity is considered excellent based off the enterprise-wide published scale.

	<u>2025</u>	<u>2024</u>
Total Financial Assets	\$ 3,575,360	\$ 3,470,780
Donor-Imposed Restrictions:		
Restricted Funds	<u>(108,437)</u>	<u>(124,551)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 3,466,923</u>	<u>\$ 3,346,229</u>

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

NOTE 4 FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

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

The fair values of the financial instruments shown in the following table as of August 31, 2025 and 2024 represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs.

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NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Overall Investment Objective

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

Fair Value Hierarchy

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

	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
<u>August 31, 2025</u>					
Assets					
Investments:					
Exchange-Traded Funds	\$ 181,292	\$ -	\$ -	\$ -	\$ 181,292
Equity Securities	1,839,409	-	-	-	1,839,409
Debt Securities	536,294	109,773	-	-	646,067
Cash	-	-	-	111,660	111,660
Total Investments	<u>\$ 2,556,995</u>	<u>\$ 109,773</u>	<u>\$ -</u>	<u>\$ 111,660</u>	<u>\$ 2,778,428</u>
<u>August 31, 2024</u>					
Investments:					
Exchange-Traded Funds	\$ 191,003	\$ -	\$ -	\$ -	\$ 191,003
Equity Securities	1,521,615	-	-	-	1,521,615
Debt Securities	548,818	-	-	-	548,818
Cash	-	-	-	213,365	213,365
Total Investments	<u>\$ 2,261,436</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 213,365</u>	<u>\$ 2,474,801</u>

NOTE 5 CONTRIBUTIONS RECEIVABLE

The Foundation's contributions receivable as of August 31, 2025 and 2024 were \$108,437 and \$124,551, respectively. As of August 31, 2025 and 2024, 94% and 80% of the contributions receivable are due from one donor, respectively. All contributions receivable are due within the next 12 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.

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NOTE 6 TRANSACTIONS WITH RELATED ENTITIES

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants and other miscellaneous revenues. During the years ended August 31, 2025 and 2024, respectively, the Foundation received \$303,375 and \$267,574 from these national revenue streams.

As part of the National Organization's Wish Fulfillment Fund, chapters may apply for funds that have been donated by other chapters to underwrite the cost of wishes. Under this program, the Foundation received \$78,000 and \$180,000 to this program during the years ended August 31, 2025 and 2024, respectively.

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 \$237,536 and \$178,791 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 \$3,325 and \$800, respectively, for the years ended August 31, 2025 and 2024, which is recorded in the accompanying statements of activities as Other Income.

Chapters with capacity can grant wishes for peer chapters who are facing limitations to meet their local wish granting demand. These chapters providing the wish relief are paid an amount equivalent to the average cost of wish. Under this program, the Foundation received \$-0- and \$198,000 during the years ended August 31, 2025 and 2024, respectively.

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

	2025	2024
Due from National Organization	\$ 63,122	\$ 222,516
Due from Other Chapters	5,815	1,922
Total Due from Related Entities	<u>\$ 68,937</u>	<u>\$ 224,438</u>
Due to National Organization	\$ 2,294	\$ 14,437
Due to Other Chapters	29,951	25,626
Total Due to Related Entities	<u>\$ 32,245</u>	<u>\$ 40,063</u>

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NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

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 \$845,197 and \$237,341, respectively.

NOTE 7 PROPERTY AND EQUIPMENT, NET

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

	2025	2024
Computer Equipment and Software	\$ 36,670	\$ 57,389
Other Equipment	61,700	38,291
Leasehold Improvements	368	368
Total	98,738	96,048
Less: Accumulated Depreciation and Amortization	(91,601)	(82,680)
Property and Equipment, Net	<u>\$ 7,137</u>	<u>\$ 13,368</u>

Depreciation expense totaled \$8,531 and \$4,483, respectively, for the years ended August 31, 2025 and 2024.

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NOTE 8 LEASES

The Foundation leases equipment as well as office facilities for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through the fiscal year 2028.

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

	<u>2025</u>	<u>2024</u>
Lease Cost:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets	\$ 1,562	\$ 260
Interest on Lease Liabilities	161	220
Operating Lease Cost	<u>64,853</u>	<u>64,853</u>
Total Lease Cost	<u><u>\$ 66,576</u></u>	<u><u>\$ 65,333</u></u>
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities:		
Operating Cash Flows from Financing Leases	\$ 161	\$ 220
Operating Cash Flows from Operating Leases	65,729	62,271
Financing Cash Flows from Financing Leases	1,554	1,496
Weighted-Average Remaining Lease Term - Financing Leases	2.0 Years	3.0 Years
Weighted Average Remaining Lease Term - Operating Leases	2.2 Years	3.2 Years
Weighted-Average Discount Rate - Financing Leases	3.88%	3.88%
Weighted-Average Discount Rate - Operating Leases	3.30%	3.30%

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

<u>Year Ending August 31,</u>	<u>Operating Leases</u>	<u>Finance Leases</u>
2026	\$ 65,729	\$ 1,715
2027	65,729	1,715
2028	<u>16,433</u>	<u>143</u>
Total Lease Payments	147,891	3,573
Less: Imputed Interest	<u>(5,154)</u>	<u>(134)</u>
Present Value of Lease Liabilities	<u><u>\$ 142,737</u></u>	<u><u>\$ 3,439</u></u>

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NOTE 9 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	\$ 108,437	\$ 124,551
Total Donor Net Assets With Donor Restrictions	<u>\$ 108,437</u>	<u>\$ 124,551</u>

NOTE 10 RETIREMENT PLAN

The Foundation has a Simple IRA retirement plan (the Plan). All employees are eligible for participation in the Plan. Under the provisions of the Plan, employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 3% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2025 and 2024 were \$-0- and \$11,079, respectively.

NOTE 11 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 \$390,625 and \$474,521, respectively, were received from single donors for the years August 31, 2025 and 2024, which represents 11% and 14% of raised revenue which consists of total public support and gross internal special event revenue. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 12 LITIGATION AND CLAIMS

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

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NOTE 13 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the years ended August 31, 2025 and 2024, the Foundation granted 160 and 131 wishes, respectively. As of August 31, 2025 and 2024, respectively, there were approximately 220 and 215 wish children who are eligible for a wish. The average cost of a wish for the year ended August 31, 2025 was \$4,850 in cash and \$3,915 in in-kind for a total cost of \$8,765. The average cost of a wish for the year ended August 31, 2024 was \$5,224 in cash and \$4,058 in in-kind for a total cost of \$9,282.

NOTE 14 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statements of financial position date through April 16, 2026, the date at which the financial statements were available to be issued.

