MAKE-A-WISH FOUNDATION® OF MINNESOTA

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2025 AND 2024



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MAKE-A-WISH FOUNDATION® OF MINNESOTA
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Minnesota
St. Paul, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Make-A-Wish Foundation® of Minnesota (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 Minnesota 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 Minnesota 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 Minnesota's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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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 Minnesota'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 Minnesota'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

Phoenix, Arizona
January 14, 2026

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

	2025	2024
ASSETS		
Cash and Cash Equivalents	$ 247,276	$ 254,753
Investments	3,592,268	3,602,583
Due from Related Entities	274,140	271,528
Prepaid Expenses	117,100	73,716
Contributions Receivable, Net	493,106	658,646
Other Assets	33,002	44,749
Right-of-Use Assets - Operating	47,114	77,324
Right-of-Use Assets - Finance	6,889	9,951
Investments Held for Long-Term Purposes	430,563	413,769
Property and Equipment, Net	10,046	15,082
Total Assets	$ 5,251,504	$ 5,422,101
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	$ 268,402	$ 266,216
Due to Related Entities	27,220	152,797
Lease Liability - Operating	54,924	92,845
Lease Liability - Financing	7,236	10,266
Total Liabilities	357,782	522,124
NET ASSETS		
Without Donor Restrictions	4,722,579	4,548,226
With Donor Restrictions	171,143	351,751
Total Net Assets	4,893,722	4,899,977
Total Liabilities and Net Assets	$ 5,251,504	$ 5,422,101

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	$ 2,654,043	$ -	$ 2,654,043
Contributions, Donated Goods and Services	1,343,204	161,143	1,504,347
Grants	281,872	10,000	291,872
Total Public Support	4,279,119	171,143	4,450,262
Internal Special Events	1,150,320	-	1,150,320
Internal Special Events, Donated Goods and Services	22,228		22,228
Less Costs of Direct Benefits to Donors	(333,062)	-	(333,062)
Total Internal Special Events	839,486	-	839,486
Investment Income, Net	258,618	-	258,618
Other Income	20,325	-	20,325
Net Assets Released from Restrictions	351,751	(351,751)	-
Total Revenues, Gains, and Other Support	5,749,299	(180,608)	5,568,691
EXPENSES			
Program Services:			
Wish Granting	3,985,939	-	3,985,939
Support Services:			
Fundraising	881,435	-	881,435
Management and General	707,572	-	707,572
Total Support Services	1,589,007	-	1,589,007
Total Expenses	5,574,946	-	5,574,946
CHANGE IN NET ASSETS	174,353	(180,608)	(6,255)
Net Assets - Beginning of Year	4,548,226	351,751	4,899,977
NET ASSETS - END OF YEAR	$ 4,722,579	$ 171,143	$ 4,893,722

See accompanying Notes to Financial Statements.

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

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions, Cash	$ 2,219,889	$ -	$ 2,219,889
Contributions, Donated Goods and Services	1,547,457	351,751	1,899,208
Grants	382,939	-	382,939
Total Public Support	4,150,285	351,751	4,502,036
Internal Special Events	1,086,544	-	1,086,544
Internal Special Events, Donated Goods and Services	48,569	-	48,569
Less: Costs of Direct Benefits to Donors	(308,736)	-	(308,736)
Total Internal Special Events	826,377	-	826,377
Investment Income, Net	436,494	-	436,494
Other Income	12,450	-	12,450
Net Assets Released from Restrictions	205,498	(205,498)	-
Total Revenues, Gains, and Other Support	5,631,104	146,253	5,777,357
EXPENSES			
Program Services:			
Wish Granting	3,873,351	-	3,873,351
Support Services:			
Fundraising	800,704	-	800,704
Management and General	958,366	-	958,366
Total Support Services	1,759,070	-	1,759,070
Total Expenses	5,632,421	-	5,632,421
CHANGE IN NET ASSETS	(1,317)	146,253	144,936
Net Assets - Beginning of Year	4,549,543	205,498	4,755,041
NET ASSETS - END OF YEAR	$ 4,548,226	$ 351,751	$ 4,899,977

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF MINNESOTA
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	$ 2,982,459	$ -	$ -	$ -	$ -	$ 2,982,459
Salaries, Taxes, and Benefits	665,687	625,617	509,055	1,134,672	-	1,800,359
Printing, Subscriptions, and Publications	11,529	33,002	5,975	38,977	-	50,506
Professional Fees	11,356	37,044	87,172	124,216	-	135,572
Rent and Utilities	30,888	29,009	23,622	52,631	-	83,519
Postage and Delivery	4,503	7,170	1,459	8,629	-	13,132
Travel	2,421	6,324	4,013	10,337	-	12,758
Meetings and Conferences	991	12,939	8,100	21,039	-	22,030
Office Supplies	34,127	4,914	515	5,429	-	39,556
Communications	4,515	3,112	2,987	6,099	-	10,614
Advertising and Media (Cash)	-	692	75	767	-	767
Advertising and Media (In-Kind)	-	28,072	-	28,072	-	28,072
Repairs and Maintenance	1,095	847	690	1,537	-	2,632
Membership Dues	601	2,607	631	3,238	-	3,839
Insurance	624	-	-	-	-	624
National Partnership Dues	221,301	50,583	44,260	94,843	-	316,144
Miscellaneous	9,098	35,050	15,390	50,440	-	59,538
Depreciation and Amortization	4,744	4,453	3,628	8,081	-	12,825
Special Event - Direct Donor Benefits	-	-	-	-	333,062	333,062
Total Expenses by Function	3,985,939	881,435	707,572	1,589,007	333,062	5,908,008
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(333,062)	(333,062)
Total Expenses Included in the Expense Section of the Statement of Activities	$ 3,985,939	$ 881,435	$ 707,572	$ 1,589,007	$ -	$ 5,574,946

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF MINNESOTA
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	$ 2,995,415	$ -	$ -	$ -	$ -	$ 2,995,415
Salaries, Taxes, and Benefits	519,361	484,737	727,105	1,211,842	-	1,731,203
Printing, Subscriptions, and Publications	4,392	48,407	2,784	51,191	-	55,583
Professional Fees	7,311	5,463	98,421	103,884	-	111,195
Rent and Utilities	25,113	23,557	35,739	59,296	-	84,409
Postage and Delivery	6,490	5,927	1,857	7,784	-	14,274
Travel	2,814	8,804	4,330	13,134	-	15,948
Meetings and Conferences	2,553	19,916	5,081	24,997	-	27,550
Office Supplies	53,512	3,966	1,846	5,812	-	59,324
Communications	3,843	3,292	3,622	6,914	-	10,757
Advertising and Media (Cash)	97,448	5,550	-	5,550	-	102,998
Advertising and Media (In-Kind)	(97,448)	97,448	-	97,448	-	-
Repairs and Maintenance	594	555	1,303	1,858	-	2,452
Membership Dues	565	1,854	783	2,637	-	3,202
Insurance	-	-	244	244	-	244
National Partnership Dues	238,237	54,454	47,648	102,102	-	340,339
Miscellaneous	8,391	32,331	20,939	53,270	-	61,661
Depreciation and Amortization	4,760	4,443	6,664	11,107	-	15,867
Special Event - Direct Donor Benefits	-	-	-	-	308,736	308,736
Total Expenses by Function	3,873,351	800,704	958,366	1,759,070	308,736	5,941,157
Less: Expenses Netted Against Revenues on the Statement of Activities:						
Special Event Expenses	-	-	-	-	(308,736)	(308,736)
Total Expenses Included in the Expense Section of the Statement of Activities	$ 3,873,351	$ 800,704	$ 958,366	$ 1,759,070	$ -	$ 5,632,421

See accompanying Notes to Financial Statements.

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

	2025	2024
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	$ (6,255)	$ 144,936
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	9,763	12,805
Amortization of Right-of-Use Asset, Finance Lease	3,062	3,062
Net Realized and Unrealized Gains on Investments	(133,567)	(307,969)
Change in Operating Right-of-Use Assets and Lease Liabilities	(7,711)	(6,339)
Increase (Decrease) in Assets:		
Contributions Receivable	165,540	(199,377)
Due from Related Entities	(2,612)	28,262
Prepaid Expenses	(43,384)	4,876
Other Assets	11,747	(30,085)
Increase (Decrease) in Liabilities:		
Accounts Payable and Accrued Expenses	2,186	5,514
Due to Related Entities	(125,577)	106,889
Net Cash Used by Operating Activities	(126,808)	(237,426)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Investments	(896,050)	(3,649,702)
Proceeds from Sales of Investments	1,023,138	3,589,126
Purchases of Property and Equipment	(4,727)	(13,046)
Net Cash Provided (Used) by Investing Activities	122,361	(73,622)
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal Payments on Finance Lease Obligations	(3,030)	(2,921)
NET DECREASE IN CASH AND CASH EQUIVALENTS	(7,477)	(313,969)
Cash and Cash Equivalents - Beginning of Year	254,753	568,722
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 247,276	$ 254,753
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash Paid for Interest Expense	$ 315	$ 424
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	$ 10,432	$ -

See accompanying Notes to Financial Statements.

NOTE 1 ORGANIZATION

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

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

Cash, 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Leases

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

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

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

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

Property and Equipment, Net

Property and equipment having a unit cost of greater than $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 7 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

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

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

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

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

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

Net Assets

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

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

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

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 $333,000 and $309,000 for the years ended August 31, 2025 and 2024, respectively. The portion that is considered to be exchange revenue is recognized as revenue when the performance obligations are met which is the occurrence of the event.

The Foundation receives auction items to be sold at its special events. Contributed auction items are valued at the gross selling price received and the value is included in internal special event revenue on the statement of activities. The amount of auction items received and sold during the years ended August 31, 2025 and 2024 totaled approximately $175,000 and $222,000, 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.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

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	$ 1,456,525	$ 1,791,714
Advertising and Media	28,072	97,448
Special Events	22,228	48,569
Other	19,750	10,046
Total Contributed Nonfinancial Assets and Services	$ 1,526,575	$ 1,947,777

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.

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.

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 Minnesota income taxes under the provisions of Internal Revenue Code (IRC) Section 501(c)(3) and Minnesota statute 290.05. 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 a specific programs or fundraising activities, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment, and other expenses.

Expenses that benefit more than one function of the Foundation are allocated among the functions based generally on the amount of time spent by employees on each function.

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

	2025	2024
Total Financial Assets	$ 5,037,353	$ 5,201,279
Donor-Imposed Restrictions:		
Restricted Funds	(171,143)	(351,751)
Net Financial Assets after Donor-Imposed Restrictions	4,866,210	4,849,528
Internal Designations:		
Board-Designated Endowments	(430,563)	(413,769)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	$ 4,435,647	$ 4,435,759

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

Endowment funds consist of funds designated by the board as endowments.

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.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value of Financial Instruments (Continued)

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.

Allocation of Investment Strategies

In addition to traditional stocks and fixed income securities, the Foundation may also hold shares or units in traditional institutional funds as well as in alternative investment funds involving hedged strategies, private equity, and real asset strategies. Hedged strategies involve funds whose managers have the authority to invest in various asset classes at their discretion, including the ability to invest long and short. Funds with hedged strategies generally hold securities or other financial instruments for which a ready market exists and may include stocks, bonds, put or call options, swaps, currency hedges, and other instruments, and are valued accordingly. Private equity funds employ buy-out and venture capital strategies and focus on investments in turnaround situations. Real estate funds generally hold interests in public real estate investment trusts (REITS) or commercial real estate through sole-member entities. Private equity and real asset strategies therefore often require the estimation of fair values by the fund managers in the absence of readily determinable market values. Because of the inherent uncertainties of valuation, these estimated fair values may differ significantly from values that would have been used had a ready market existed, and the differences could be material. Such valuations are determined by fund managers and generally consider variables such as operating results, comparable earnings multiples, projected cash flows, recent sales prices, and other pertinent information, and may reflect discounts for the illiquid nature of certain investments held. Moreover, the fair values of the Foundation's interests in shares or units of these funds, because of liquidity and capital commitment terms that vary depending on the specific fund or partnership agreement, may differ from the fair value of the funds' underlying net assets.

NOTE 4 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy

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

	Level 1	Level 2	Level 3	Assets Not Held at Fair Value	Total
August 31, 2025					
Investments:					
Mutual Funds	$ 3,599,740	$ -	$ -	$ -	$ 3,599,740
Exchange-Traded Funds	216,334	-	-	-	216,334
Debt Securities	-	187,118	-	-	187,118
Cash	-	-	-	19,639	19,639
Total Investments	$ 3,816,074	$ 187,118	$ -	$ 19,639	$ 4,022,831
August 31, 2024					
Investments:					
Mutual Funds	$ 3,474,296	$ -	$ -	$ -	$ 3,474,296
Exchange-Traded Funds	201,588	-	-	-	201,588
Debt Securities	-	205,532	-	-	205,532
Cash	-	-	-	134,936	134,936
Total Investments	$ 3,675,884	$ 205,532	$ -	$ 134,936	$ 4,016,352

NOTE 5 CONTRIBUTIONS RECEIVABLE

The Foundation's contributions receivable as of August 31, 2025 and 2024 were $493,106 and $658,646, respectively. As of August 31, 2025, 73% of the contributions receivable are due from three donors and as of August 31, 2024, 80% of the contributions receivable are due from two donors. 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.

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 $963,624 and $827,297 from these national revenue streams.

NOTE 6 TRANSACTIONS WITH RELATED ENTITIES (CONTINUED)

Conversely, the Foundation pays amounts to the National Organization for chapter dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amounts totaling $393,463 and $453,068 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 $20,325 and $12,450, 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	$ 255,789	$ 245,485
Due from Other Chapters	18,351	26,043
Total Due from Related Entities	$ 274,140	$ 271,528
Due to National Organization	$ 13,130	$ 108,556
Due to Other Chapters	14,090	44,241
Total Due to Related Entities	$ 27,220	$ 152,797

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 $450,611 and $168,514, respectively.

NOTE 7 PROPERTY AND EQUIPMENT, NET

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

	2025	2024
Computer Equipment and Software	$ 76,901	$ 72,173
Office Furniture and Equipment	60,096	60,096
Leasehold Improvements	12,718	12,718
Total	149,715	144,987
Less Accumulated Depreciation and Amortization	(139,669)	(129,905)
Property and Equipment, Net	$ 10,046	$ 15,082

Depreciation expense totaled $9,763 and $12,805, respectively for the years ended August 31, 2025 and 2024.

NOTE 8 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 fiscal year 2031.

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

	2025	2024
Lease Cost:		
Finance Lease Cost:		
Amortization of Right-of-Use Assets	$ 3,062	$ 3,062
Interest on Lease Liabilities	315	424
Operating Lease Cost	42,908	42,907
Total Lease Cost	$ 46,285	$ 46,393
Other Information:		
Cash Paid for Amounts Included in the Measurement of Lease Liabilities		
Operating Cash Flows from Financing Leases	$ 315	$ 424
Operating Cash Flows from Operating Leases	$ 50,619	$ 49,246
Financing Cash Flows from Financing Leases	$ 3,030	$ 2,921
Right-of-Use Assets Obtained in Exchange for New Operating Lease Liabilities	$ 10,432	$ -
Weighted-Average Remaining Leases Term - Financing Leases	2.2 Years	3.2 Years
Weighted Average Remaining Lease Term - Operating Leases	1.7 Years	1.9 Years
Weighted-Average Discount Rate - Financing Leases	3.66%	3.66%
Weighted-Average Discount Rate - Operating Leases	3.41%	3.30%

NOTE 8 LEASES (CONTINUED)

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

Year Ending August 31	Operating Leases	Finance Leases
2026	$ 47,564	$ 3,345
2027	2,159	3,345
2028	2,159	836
2029	2,159	-
2030	2,159	-
Thereafter	360	-
Total Lease Payments	56,560	7,526
Less: Imputed Interest	(1,636)	(290)
Present Value of Lease Liabilities	$ 54,924	$ 7,236

NOTE 9 NET ASSETS

Net Assets Without Donor Restrictions

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

	2025	2024
Board-Designated Endowment Funds	$ 430,563	$ 413,769

Net Assets With Donor Restrictions

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

	2025	2024
Subject to Expenditure for Specified Purpose:		
Wish Granting	$ 158,143	$ 351,751
Olmsted County Operations	10,000	-
Total	168,143	351,751
Subject to Passage of Time:		
Promises to Give that are Not Restricted by Donors, but Which are Unavailable for Expenditure Until Due	3,000	-
Total	3,000	-
Total Donor-Restricted Net Assets	$ 171,143	$ 351,751

NOTE 10 ENDOWMENTS

The Foundation has established a board restricted endowment with the proceeds of an unrestricted bequest from a single donor.

NOTE 10 ENDOWMENTS (CONTINUED)

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 fund designated by the board of directors to function as an endowment. 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.

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

August 31, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Board-Designated Endowment Funds	$ 430,563	$ -	$ 430,563
August 31, 2024			
Board-Designated Endowment Funds	$ 413,769	$ -	$ 413,769

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

August 31, 2025	Without Donor Restrictions	With Donor Restrictions	Total
Endowment Funds - Beginning of Year	$ 413,769	$ -	$ 413,769
Investment Return:			
Investment Income	8,526	-	8,526
Net Appreciation (Realized and Unrealized)	22,687	-	22,687
Total Investment Return	31,213	-	31,213
Other Changes:			
Distribution Pursuant to Distribution Policy	(14,419)	-	(14,419)
Endowment Funds - End of Year	$ 430,563	$ -	$ 430,563
August 31, 2024			
Endowment Funds - Beginning of Year	$ 371,543	$ -	$ 371,543
Investment Return:			
Investment Income	9,321	-	9,321
Net Appreciation (Realized and Unrealized)	46,519	-	46,519
Total Investment Return	55,840	-	55,840
Other Changes:			
Distribution Pursuant to Distribution Policy	(13,614)	-	(13,614)
Endowment Funds - End of Year	$ 413,769	$ -	$ 413,769

NOTE 11 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 4% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2025 and 2024 were $40,793 and $41,175, respectively.

NOTE 12 CONCENTRATIONS

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

For the years ended August 31, 2025 and 2024, contributions totaling $692,519 and $788,573 were received from one donor, respectively, which represents 12% and 15% of total raised revenue. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 13 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 242 and 257 wishes, respectively. As of August 31, 2025 and 2024, respectively, there were approximately 230 and 280 wish children who were eligible for a wish. The average cost of a wish for the year ended August 31, 2025 was $5,578 in cash and $6,950 in in-kind for a total cost of $12,528. The average cost of a wish for the year ended August 31, 2024 was $5,473 in cash and $6,117 in in-kind for a total cost of $11,590.

NOTE 14 EMPLOYEE RETENTION CREDIT

Grants from the government are recognized when all conditions of such grants are fulfilled or there is reasonable assurance that they will be fulfilled. During the year ended August 31, 2025, the Foundation applied for Employee Retention Credit (ERC) grant funding from the Internal Revenue Service (IRS). The Foundation recognized $-0- and $226,439, respectively, of grant revenue related to performance requirements being met in compliance with the program during the years ended August 31, 2025 and 2024.

NOTE 14 EMPLOYEE RETENTION CREDIT (CONTINUED)

Eligibility and conditions for the ERC program may be audited by the IRS. The amount of liability, if any, from potential noncompliance cannot be determined with certainty; management is of the opinion that any audit will not have a material adverse impact on the Foundation's financial position.

NOTE 15 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through January 14, 2026, the date at which the financial statements were available to be issued.



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