

**Make-A-Wish Foundation International**

**Financial Statements  
and Independent Auditor's Report**

**August 31, 2024 and 2023**

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# Make-A-Wish Foundation International

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## Independent Auditor's Report

To the Board of Directors  
Make-A-Wish International

Report on the Audit of the Financial Statements

### *Opinion*

We have audited the financial statements of Make-A-Wish Foundation International, which comprise the statements of financial position as of August 31, 2024 and 2023, 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 International as of August 31, 2024 and 2023, 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Make-A-Wish Foundation International 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 International's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### *Auditor's 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 auditor's 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 International'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 International'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 audits.

*CohnReznick LLP*

Los Angeles, California  
February 27, 2025

**Make-A-Wish Foundation International**

**Statements of Financial Position  
August 31, 2024 and 2023**

Assets

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 280,738	\$ 1,659,920
Investments	3,503,452	2,373,179
Receivables, other	111,475	113,060
Contributions receivable, net	329,350	13,501
Due from affiliates	665,591	626,657
Prepaid expenses	155,460	189,786
Equipment, net of accumulated depreciation	62,842	55,758
Operating right-of-use assets	<u>244,431</u>	<u>42,417</u>
 Total assets	 <u>\$ 5,353,339</u>	 <u>\$ 5,074,278</u>

Liabilities and Net Assets

Liabilities		
Accounts payable and accrued expenses	\$ 468,177	\$ 530,735
Due to affiliates	1,358,996	1,172,719
Deferred affiliate member dues	667,643	633,008
Operating lease liabilities	<u>244,431</u>	<u>42,417</u>
 Total liabilities	 <u>2,739,247</u>	 <u>2,378,879</u>
 Commitments and contingencies		
Net assets		
Without donor restrictions	1,834,938	2,597,739
With donor restrictions	<u>779,154</u>	<u>97,660</u>
 Total net assets	 <u>2,614,092</u>	 <u>2,695,399</u>
 Total liabilities and net assets	 <u>\$ 5,353,339</u>	 <u>\$ 5,074,278</u>

See Notes to Financial Statements.

**Make-A-Wish Foundation International**

**Statement of Activities  
Year Ended August 31, 2024**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenues and support			
Contributions and grants, gross	\$ 4,170,987	\$ 2,734,204	\$ 6,905,191
Contributions, donated goods and services	8,262,806	-	8,262,806
Affiliate member dues	1,968,386	-	1,968,386
Investment income	231,976	-	231,976
Other revenue	<u>(523)</u>	<u>-</u>	<u>(523)</u>
Gross revenue	14,633,632	2,734,204	17,367,836
Less: Designated funds to affiliates	(1,983,062)	(2,004,855)	(3,987,917)
Net assets released from restrictions	<u>47,855</u>	<u>(47,855)</u>	<u>-</u>
 Total revenues and support	 <u>12,698,425</u>	 <u>681,494</u>	 <u>13,379,919</u>
Expenses			
Program expenses	10,095,573	-	10,095,573
Supporting services			
Management and general	1,695,756	-	1,695,756
Fundraising	<u>1,669,897</u>	<u>-</u>	<u>1,669,897</u>
Total expenses	<u>13,461,226</u>	<u>-</u>	<u>13,461,226</u>
Change in net assets	(762,801)	681,494	(81,307)
Net assets, beginning	<u>2,597,739</u>	<u>97,660</u>	<u>2,695,399</u>
Net assets, end	<u>\$ 1,834,938</u>	<u>\$ 779,154</u>	<u>\$ 2,614,092</u>

See Notes to Financial Statements.

**Make-A-Wish Foundation International**

**Statement of Activities  
Year Ended August 31, 2023**

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Total</u>
Revenues and support			
Contributions and grants, gross	\$ 3,706,740	\$ 1,469,257	\$ 5,175,997
Contributions, donated goods and services	6,097,160	-	6,097,160
Affiliate member dues	1,870,102	-	1,870,102
Investment income	62,059	-	62,059
Other revenue	63,671	-	63,671
Loan forgiveness	74,712	-	74,712
	<u>11,874,444</u>	<u>1,469,257</u>	<u>13,343,701</u>
Gross revenue			
Less: Designated funds to affiliates	(1,852,553)	(1,325,620)	(3,178,173)
Net assets released from restrictions	<u>206,655</u>	<u>(206,655)</u>	<u>-</u>
Total revenues and support	<u>10,228,546</u>	<u>(63,018)</u>	<u>10,165,528</u>
Expenses			
Program expenses	7,841,949	-	7,841,949
Supporting services			
Management and general	1,401,930	-	1,401,930
Fundraising	1,042,827	-	1,042,827
	<u>10,286,706</u>	<u>-</u>	<u>10,286,706</u>
Total expenses			
Change in net assets	(58,160)	(63,018)	(121,178)
Net assets, beginning	<u>2,655,899</u>	<u>160,678</u>	<u>2,816,577</u>
Net assets, end	<u>\$ 2,597,739</u>	<u>\$ 97,660</u>	<u>\$ 2,695,399</u>

See Notes to Financial Statements.

**Make-A-Wish Foundation International**

**Statement of Functional Expenses  
Year Ended August 31, 2024**

	Program services	Supporting services		Total
		Management and general	Fundraising	
Personnel costs				
Salaries	\$ 747,998	\$ 817,870	\$ 454,798	\$ 2,020,666
Employee benefits and related payroll	408,103	485,344	271,420	1,164,867
Total personnel costs	1,156,101	1,303,214	726,218	3,185,533
Dues and subscriptions	223,211	10,320	73,172	306,703
Insurance - general	4,172	5,476	3,390	13,038
Miscellaneous	32,534	42,700	26,433	101,667
Postage and delivery	89	117	716	922
Printing and duplication	491	372	250	1,113
Professional fees	504,984	224,338	706,003	1,435,325
Distributions to affiliates	11,973,239	-	-	11,973,239
Rent	17,360	22,784	14,105	54,249
Supplies	2,404	2,403	36,838	41,645
Telephone	1,451	1,904	1,262	4,617
Training	74,225	5,224	7,379	86,828
Travel	86,635	68,250	68,774	223,659
Depreciation	6,594	8,654	5,357	20,605
Total	14,083,490	1,695,756	1,669,897	17,449,143
Less: Designated funds to affiliates	(3,987,917)	-	-	(3,987,917)
Total functional expenses	<u>\$ 10,095,573</u>	<u>\$ 1,695,756</u>	<u>\$ 1,669,897</u>	<u>\$ 13,461,226</u>

See Notes to Financial Statements.



**Make-A-Wish Foundation International**

**Statement of Functional Expenses  
Year Ended August 31, 2023**

	Program services	Supporting services		Total
		Management and general	Fundraising	
Personnel costs				
Salaries	\$ 633,155	\$ 784,687	\$ 366,378	\$ 1,784,220
Employee benefits and related payroll	305,379	406,387	207,405	919,171
Total personnel costs	938,534	1,191,074	573,783	2,703,391
Dues and subscriptions	229,556	6,773	79,040	315,369
Insurance - general	4,326	4,911	2,455	11,692
Miscellaneous	12,268	17,633	8,817	38,718
Postage and delivery	333	108	2,781	3,222
Printing and duplication	686	635	317	1,638
Professional fees	376,450	81,737	251,391	709,578
Distributions to affiliates	9,244,035	-	-	9,244,035
Rent	20,179	22,906	11,453	54,538
Supplies	-	175	34,179	34,354
Telephone	1,617	1,721	1,111	4,449
Training	102,261	1,988	11,383	115,632
Travel	76,637	57,240	58,602	192,479
Depreciation	13,240	15,029	7,515	35,784
Total	11,020,122	1,401,930	1,042,827	13,464,879
Less: Designated funds to affiliates	(3,178,173)	-	-	(3,178,173)
Total functional expenses	\$ 7,841,949	\$ 1,401,930	\$ 1,042,827	\$ 10,286,706

See Notes to Financial Statements.

**Make-A-Wish Foundation International**

**Statements of Cash Flows  
Years Ended August 31, 2024 and 2023**

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities		
Change in net assets	\$ (81,307)	\$ (121,178)
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities		
Depreciation	20,605	35,784
Amortization of the operating right-of-use asset	43,973	45,662
Loan forgiveness	-	(74,712)
Realized and unrealized (gains) losses on investments	(94,837)	(24,998)
Changes in operating assets and liabilities		
Receivables, other	1,585	(89,893)
Contributions receivable, net	(315,849)	175,449
Due from affiliates	(38,934)	192,409
Prepaid expenses	34,326	(54,782)
Accounts payable and accrued expenses	(62,558)	75,540
Due to affiliates	186,277	410,934
Deferred affiliate member dues	34,635	28,924
Operating lease liabilities	<u>(43,973)</u>	<u>(45,662)</u>
Net cash provided by (used in) operating activities	<u>(316,057)</u>	<u>553,477</u>
Cash flows from investing activities		
Proceeds from sales of investments	630,541	908,455
Purchases of investments	(1,665,977)	(2,641,707)
Purchases of property and equipment	<u>(27,689)</u>	<u>(20,084)</u>
Net cash used in investing activities	<u>(1,063,125)</u>	<u>(1,753,336)</u>
Net decrease in cash and cash equivalents	(1,379,182)	(1,199,859)
Cash and cash equivalents, beginning	<u>1,659,920</u>	<u>2,859,779</u>
Cash and cash equivalents, end	<u>\$ 280,738</u>	<u>\$ 1,659,920</u>
Supplemental disclosure of noncash investing and financing activities		
Right-of-use assets obtained in exchange for lease liabilities	<u>\$ 245,987</u>	<u>\$ 88,079</u>

See Notes to Financial Statements.

# Make-A-Wish Foundation International

## Notes to Financial Statements August 31, 2024 and 2023

### Note 1 - Business and summary of significant accounting policies

#### **Business**

Make-A-Wish International (the "Foundation") is a nonprofit organization with 40 chartered international affiliates. The Foundation is organized and operated exclusively for the charitable purpose of increasing the opportunity of children of the world, with a life-threatening medical condition, to realize their wishes.

#### **Reporting entity**

The accompanying financial statements include only the accounts and transactions of the Foundation. The international affiliates are separate entities with separate boards of directors, and as such, are responsible for, and maintain custody of, and generate their own financial resources. Accordingly, the accounts and transactions of the international affiliates are not included in these financial statements.

#### **Basis of accounting**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP").

#### **Financial statement presentation**

The Foundation is required to report information regarding its financial position and activities according to two classes of net assets: without donor restrictions and with donor restrictions, which are described as follows:

*Net Assets without Donor Restrictions* - Net assets for use in general operations and not subject to donor (or certain grantor) restrictions. Net assets may be designated for specific purposes by action of the Board of Directors.

*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, purpose, or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature whereby the donor stipulates that resources be maintained in perpetuity. 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.

#### **Cash and cash equivalents**

Cash and cash equivalents include demand deposits and all highly-liquid investments with initial maturities at the date of acquisition of three months or less that are available for current use. Cash and cash equivalents may include cash on hand or held by financial institutions.

#### **Investments**

Investments are reported at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets. Interest and dividend income is reported net of investment expense, which is included in investment income (loss), net, in the statements of activities.

## **Make-A-Wish Foundation International**

### **Notes to Financial Statements August 31, 2024 and 2023**

#### **Contributions receivable**

Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates at the time of the unconditional promise to give. Amortization of the discount is included in contribution support. Management provides for probable uncollectible amounts through a charge to operations and an increase to a valuation allowance based on its assessment of the current status of individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction of the receivables.

#### **Equipment**

Equipment is stated at cost if purchased or fair value on the date of donation net of accumulated depreciation. Depreciation is provided using the straight-line method over the estimated useful lives of the assets, which generally range from three to seven years. Expenditures for major renewals and improvements that extend the useful lives of equipment are capitalized. Minor repairs and maintenance costs are charged to expense in the year incurred. The Foundation maintains a capitalization policy for expenditures in excess of \$500.

#### **Long-lived assets**

Long-lived assets to be held and used are reviewed for events or changes in circumstances that indicate that their carrying value may not be recoverable. The Foundation periodically reviews the carrying value of long-lived assets to determine whether or not impairment to such value has occurred. No impairments were recorded during the years ended August 31, 2024 and 2023.

#### **Contributions**

Contributions received are recorded as without donor restrictions or with donor restrictions depending on the existence or nature of any donor restrictions. Contributions with a donor-imposed time restriction or purpose restriction which limit the use of the donated assets are reported as contributions with donor restrictions if the restrictions are not met in the same reporting period. When such donor-imposed restrictions are met in subsequent reporting periods, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions of assets which donors have stipulated must be maintained perpetually, with only the income earned thereon available for current use, are classified as contributions with donor restrictions perpetual. Contributions for which donors have not stipulated restrictions, as well as contributions for which donors have stipulated restrictions but which are met within the same reporting period, are reported as net assets without donor restrictions.

Unconditional promises to give, with payments due in future periods, are reported as support with donor restrictions when the promises are received. Gifts of land, buildings and equipment are reported as support without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as support with donor restrictions. Absent explicit donor stipulation, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

The Foundation does not have discretion or variance power over contributions designated to specific affiliates by the donor. As such, these contributions are not the Foundation's revenue or expense under GAAP. These contributions have been deducted from the Foundation's contributions and

# **Make-A-Wish Foundation International**

## **Notes to Financial Statements August 31, 2024 and 2023**

grants in the accompanying statements of activities and program expenses on the accompanying statements of functional expenses to arrive at a net contribution and expense amount.

Conditional promises to give, that is, those with a measurable performance or other barrier, and a right of return, are not recognized until the conditions on which they depend have been substantially met. As of August 31, 2024 and 2023, the Foundation had \$0 and \$200,000 of conditional contributions, respectively, in which the conditions have not been met, and therefore have not been recorded as revenues.

### **Affiliate member dues**

As of August 31, 2024 and 2023, the Foundation has 41 and 40 affiliates, that pay annual affiliate member dues for the nonexclusive right and sublicensee to use the trademarks and service marks for use in performance of the charitable purpose. The Foundation's obligations to the affiliates include distributions from contributions and grants, events and campaigns as necessary. Affiliate member dues revenues are recognized over time as the year progresses. Dues are based off of the annual revenue of the affiliate. Affiliate member dues are paid annually by each affiliate and are deferred and recognized over the period to which the dues relate.

### **Donated assets and services**

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.

### **Advertising**

Advertising costs are expensed as incurred.

### **Functional allocation of expenses**

Expenses are directly allocated to the various programs and support services when possible and indirectly allocated based on staff time spent in that area and the best estimates of management.

### **Fair value measurements**

The Foundation values its financial assets and liabilities based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three broad levels, which are described as follows:

- Level 1: Quoted prices (unadjusted) in active markets that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.
- Level 3: Unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

## **Make-A-Wish Foundation International**

### **Notes to Financial Statements August 31, 2024 and 2023**

#### **Income taxes**

The Foundation is a nonprofit charitable organization which qualifies as a tax-exempt organization under section 501(c)(3) of the Internal Revenue Code ("IRC") and is a publicly supported organization as described in Section 509(a) of the IRC.

The Foundation has no unrecognized tax benefits at both August 31, 2024 and 2023. The Foundation's federal income tax returns prior to the 2021 fiscal year are closed and management continually evaluates expiring statutes of limitations, audits, proposed settlements, changes in tax law and new authoritative rulings. Management has analyzed the tax positions taken by the Foundation and has concluded that, as of August 31, 2024 and 2023, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

If applicable, the Foundation recognizes interest and penalties associated with tax matters as part of income tax expense and includes accrued interest and penalties with accrued expenses in the statements of financial position.

#### **Use of estimates**

The preparation of financial statements in conformity with GAAP requires management to make 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.

#### **Adoption of new accounting pronouncement**

On September 1, 2023, the Foundation adopted Accounting Standards Update 2016-13, *Measurement of Credit Losses on Financial Instruments* ("ASC 326"), and its related amendments. The new standard changes the impairment model for most financial assets that are measured at amortized cost and certain other instruments, including trade receivables, notes receivables, and held-to-maturity U.S. Treasury bonds, from an incurred loss model to an expected loss model and adds certain new required disclosures. Under the expected loss model, entities will recognize credit losses to be incurred over the entire contractual term of the instrument rather than delaying recognition of credit losses until it is probable the loss has been incurred. In accordance with ASC 326, the Foundation evaluates certain criteria, including aging and historical write-offs, current economic condition of specific customers and future economic conditions to determine the appropriate allowance for credit losses. The adoption of ASC 326 did not have a material impact as of September 1, 2023.

#### **Subsequent events**

The Foundation has evaluated the impact of subsequent events through February 27, 2025, which is the date the financial statements were available to be issued.

#### **Note 2 - Liquidity and availability**

The Foundation regularly monitors liquidity required to meet its operating needs, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents and investments.

## Make-A-Wish Foundation International

### Notes to Financial Statements August 31, 2024 and 2023

At August 31, 2024 and 2023, the Foundation had the following financial assets and liquidity resources available over the next 12 months:

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 280,738	\$ 1,659,920
Investments	3,503,452	2,373,179
Receivables, other	111,475	113,060
Contributions receivable, net	329,350	13,501
Due from affiliates	<u>665,591</u>	<u>626,657</u>
	4,890,606	4,786,317
Less: Net assets with donor restrictions	<u>(779,154)</u>	<u>(97,660)</u>
	<u>\$ 4,111,452</u>	<u>\$ 4,688,657</u>

#### Note 3 - Concentration of credit risk

Financial instruments that potentially subject the Foundation to concentrations of credit risk include cash deposits and money market funds at a financial institution. The Foundation maintains its cash and cash equivalents with high-credit quality financial institutions. At times, such amounts may exceed federally insured limits.

The Foundation's investments are subject to various risks, such as interest rate, credit, and overall market volatility risks. Further, because of the significance of the investments to the Foundation's financial position and the level of risk inherent in most investments, it is reasonably possible that changes in the values of these investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements. Management is of the opinion that the diversification of its invested assets among the various asset classes should mitigate the impact of changes in any one class.

Concentrations of credit risk with respect to receivables are limited due to the large number of donors and generally short payment terms. In addition, management closely monitors these balances while maintaining allowances for potential losses.

For both of the years ended August 31, 2024 and 2023, approximately 31%, of the Foundation's contributions were gifted by one donor.

The Foundation received 75% of its in-kind contributions from one donor during both of the years ended August 31, 2024 and 2023.

**Make-A-Wish Foundation International**

**Notes to Financial Statements  
August 31, 2024 and 2023**

**Note 4 - Investments**

Investments are stated at fair value and are summarized as follows at August 31:

	<u>2024</u>	<u>2023</u>
Mutual funds		
Stock funds	\$ -	\$ 150,192
Bond funds	-	45,482
Short-term funds	2,653,667	1,716,677
Exchange traded funds	733,067	203,998
Bonds		
Corporate	-	122,764
Government	-	120,145
Money market funds	<u>116,718</u>	<u>13,921</u>
	<u>\$ 3,503,452</u>	<u>\$ 2,373,179</u>

**Note 5 - Fair value measurements**

Financial assets carried at fair value at August 31, 2024 are classified in the table below in one of the three categories described in Note 1:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Mutual funds				
Short-term funds	\$ 2,653,667	\$ -	\$ -	\$ 2,653,667
Exchange traded funds	733,067	-	-	733,067
Money market funds	<u>-</u>	<u>116,718</u>	<u>-</u>	<u>116,718</u>
Total	<u>\$ 3,386,734</u>	<u>\$ 116,718</u>	<u>\$ -</u>	<u>\$ 3,503,452</u>



## Make-A-Wish Foundation International

### Notes to Financial Statements August 31, 2024 and 2023

Financial assets carried at fair value at August 31, 2023 are classified in the table below in one of the three categories described in Note 1:

	Level 1	Level 2	Level 3	Total
Mutual funds				
Stock funds	\$ 150,192	\$ -	\$ -	\$ 150,192
Bond funds	45,482	-	-	45,482
Short-term funds	1,716,677			1,716,677
Exchange traded funds	203,998	-	-	203,998
Bonds				
Corporate	-	122,764	-	122,764
Government	-	120,145	-	120,145
Money market funds	-	13,921	-	13,921
Total	\$ 2,116,349	\$ 256,830	\$ -	\$ 2,373,179

Valuations of mutual funds are obtained from real-time quotes for transactions in active exchange markets involving identical assets. Money market funds are valued based on investment yield. Fixed income investments are valued based on amortized costs. For the years ended August 31, 2024 and 2023, there have been no changes in the valuation methodologies.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

#### **Note 6 - Contributions receivable**

Contributions receivable as of August 31, 2024 and August 31, 2023 were \$329,350 and \$13,501, respectively. All contributions receivable are due within the next 12 months. Management believes that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts was considered necessary at August 31, 2024 and 2023.

## Make-A-Wish Foundation International

### Notes to Financial Statements August 31, 2024 and 2023

#### Note 7 - Equipment

Equipment consists of the following at August 31:

	<u>2024</u>	<u>2023</u>
Office furniture and equipment	\$ 150,109	\$ 122,277
Internal use software	<u>1,615,974</u>	<u>1,615,974</u>
	1,766,083	1,738,251
Less accumulated depreciation	<u>(1,703,241)</u>	<u>(1,682,493)</u>
	<u>\$ 62,842</u>	<u>\$ 55,758</u>

Depreciation expense for the years ended August 31, 2024 and 2023 was \$20,605 and \$35,784, respectively.

#### Note 8 - Related party transactions

The Foundation receives membership dues from the international affiliates and sponsors conferences and events for which it incurs costs that are reimbursed by the participating affiliates. At August 31, 2024 and 2023, amounts due from affiliates were \$665,591 and \$626,657, respectively. The beginning balance of amounts due from affiliates for the year ended August 31, 2023 was \$819,066. At August 31, 2024 and 2023, three affiliates accounted for 67% and 63%, respectively, of the total due from affiliates. At August 31, 2024 and 2023, amounts of deferred affiliate member dues were \$667,643 and \$633,008, respectively. The beginning balance of deferred affiliate member dues for the year ended August 31, 2023 was \$604,084.

Affiliate dues recognized during the years ended August 31, 2024 and 2023 totaled \$1,968,386 and \$1,870,102, respectively. For the years ended August 31, 2024 and 2023, gross distributions to affiliates totaled \$11,973,239 and \$9,244,035, respectively.

The Foundation accepts donations on behalf of the international affiliates and disburses these funds to affiliates on a monthly basis. These affiliate transactions are reported as funds held for affiliates until they are distributed. Additionally, the Foundation may hold certain funds for affiliate organizations at their request. Amounts due to affiliates were \$1,358,996 and \$1,172,719 at August 31, 2024 and 2023, respectively. The beginning balance of amounts due to affiliates for the year ended August 31, 2023 was \$761,785.

## Make-A-Wish Foundation International

### Notes to Financial Statements August 31, 2024 and 2023

#### Note 9 - Net assets with donor restrictions

Net assets with donor restrictions consist of the following at August 31:

	<u>2024</u>	<u>2023</u>
Time or purpose		
Time restrictions	\$ 359,350	\$ 30,000
Lodging - Air BnB	3,819	8,921
Affiliate support	400,000	9,754
COVID-19 relief	15,985	48,985
	<u>\$ 779,154</u>	<u>\$ 97,660</u>

#### Note 10 - Donated goods and services

During the years ended August 31, 2024 and 2023, the Foundation received in-kind contributions of assets, services, and materials that are included in the accompanying statements of activities as follows:

	<u>2024</u>	<u>2023</u>
Wish granting	\$ 6,921,918	\$ 5,025,747
Advertising and media	1,000,000	1,000,000
Professional fees	340,888	71,413
	<u>\$ 8,262,806</u>	<u>\$ 6,097,160</u>

Wish granting related in-kind donations consist of donated travel, goods and other services used in the delivery of wishes by the affiliates. The Foundation estimates the fair value of wish related in-kind donations on the basis of estimates of the current market rates for similar travel, goods and other services in the Foundation's market.

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 audit or video tape of a public service announcement, a layout for a newspaper, media time or space for public service announcements, or other purposes.

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 advertising and media at their fair value. The fair value of the donated advertising and media is based on current market rates in the markets in which the advertising and media was placed.

Donated professional fees recognized comprise services such as legal fees, that are provided to the Foundation. Donated services were valued and reported at the estimated fair value based on current rates for similar consulting services.

## Make-A-Wish Foundation International

### Notes to Financial Statements August 31, 2024 and 2023

Volunteers donate significant amounts of their time to the Foundation's mission; however, these donated services are not reflected in the financial statements since these services do not meet the criteria for recognition as contributed services.

#### Note 11 - Employee benefit plan

In 2003, the Foundation adopted a SIMPLE-IRA plan which covers all U.S. employees from their hire date. The Foundation matches each employee's elective deferral on a dollar-for-dollar basis up to 3-5% of the employee's compensation or other defined limits, based on length of employment. In addition, European employees can choose to participate in a benefit plan in which the Foundation pays up to one third of the premium. For the years ended August 31, 2024 and 2023, matching contributions of \$194,594 and \$158,837 were made to the employee benefit plans, respectively.

#### Note 12 - Leases

The Foundation leases office space and equipment under various operating leases with terms through July 1, 2029.

At lease commencement, the Foundation recognizes a lease liability, which is measured at the present value of future minimum lease payments, and a corresponding right-of-use asset equal to the lease liability, adjusted for any prepaid lease costs, initial direct costs and lease incentives. The Foundation has elected and applies the practical expedient to combine non lease components with their related lease components and account for them as a single combined lease component for all its leases. The Foundation remeasures lease liabilities and related right-of-use assets whenever there is a change to the lease term and/or there is a change in the amount of future lease payments, but only when such changes do not qualify to be accounted for as a separate contract.

The Foundation determines an appropriate discount rate to apply when determining the present value of the remaining lease payments for purposes of measuring or remeasuring lease liabilities. As the rate implicit in the lease is generally not readily determinable, the Foundation estimates the risk free rate as the discount rate.

For accounting purposes, the Foundation's leases commence on the earlier of (i) the date upon which the Foundation obtains control of the underlying asset and (ii) the contractual effective date of a lease.

Weighted average remaining lease term and weighted average discount rate for the Foundation's leases as of August 31, 2024 are as follows:

	<u>2024</u>	<u>2023</u>
Weighted average remaining lease term (years)	4.82	1.10
Weighted average annual discount rate	3.51%	3.50%

**Make-A-Wish Foundation International**

**Notes to Financial Statements  
August 31, 2024 and 2023**

Annual maturity analysis of the Foundation's lease liabilities as of August 31, 2024 are as follows:

2025	\$	54,531
2026		54,531
2027		54,531
2028		54,394
2029		44,760
Thereafter		<u>-</u>
Total lease payments		262,747
Less: interest		<u>(18,316)</u>
	\$	<u><u>244,431</u></u>



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