

**MAKE-A-WISH FOUNDATION® OF OKLAHOMA,
INC.**

FINANCIAL STATEMENTS

YEARS ENDED AUGUST 31, 2015 AND 2014

**MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
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INDEPENDENT AUDITORS' REPORT

Board of Directors
Make-A-Wish Foundation® of Oklahoma, Inc.
Oklahoma City, Oklahoma

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Oklahoma, Inc., which comprise the statements of financial position as of August 31, 2015 and 2014, and the related statements of activities, cash flows, and functional expenses, for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Board of Directors
Make-A-Wish Foundation® of Oklahoma, Inc.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Make-A-Wish Foundation® of Oklahoma, Inc. as of August 31, 2015 and 2014, and change 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
February 8, 2016

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2015 AND 2014

	2015	2014
ASSETS		
Cash	\$ 1,039,953	\$ 880,078
Due from Related Entities	82,194	36,461
Prepaid Expenses	301	1,745
Contributions Receivable, Net	139,088	92,507
Other Assets	14,028	12,200
Property and Equipment, Net.	10,549	34,678
Beneficial Interest in Assets Held by Others	281,485	305,689
Total Assets	\$ 1,567,598	\$ 1,363,358
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 187,682	\$ 168,010
Accrued Pending Wish Costs	1,077,199	746,793
Due to Related Entities	4,570	3,497
Total Liabilities	1,269,451	918,300
NET ASSETS		
Unrestricted	67,534	340,300
Temporarily Restricted	230,613	104,758
Total Net Assets	298,147	445,058
Total Liabilities and Net Assets	\$ 1,567,598	\$ 1,363,358

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2015

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Public Support:			
Contributions, Net of Write-Offs	\$ 2,071,031	\$ 137,788	\$ 2,208,819
Grants	110,884	56,538	167,422
Total Public Support	2,181,915	194,326	2,376,241
Internal Special Events	589,985	36,287	626,272
Less Costs of Direct Benefits to Donors	(57,663)	-	(57,663)
Total Special Events	532,322	36,287	568,609
Other Income	12,754	-	12,754
Change in Value of Beneficial Interest in Assets Held by Others	(24,204)	-	(24,204)
Net Assets Released from Restrictions	104,758	(104,758)	-
Total Revenues, Gains, and Other Support	2,807,545	125,855	2,933,400
EXPENSES			
Program Services:			
Wish Granting	2,447,937	-	2,447,937
Total Program Services	2,447,937	-	2,447,937
Support Services:			
Fundraising	360,076	-	360,076
Management and General	272,298	-	272,298
Total Support Services	632,374	-	632,374
Total Program and Support Services Expense	3,080,311	-	3,080,311
Change in Net Assets	(272,766)	125,855	(146,911)
Net Assets - Beginning of Year	340,300	104,758	445,058
NET ASSETS - END OF YEAR	\$ 67,534	\$ 230,613	\$ 298,147

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
STATEMENT OF ACTIVITIES
YEAR ENDED AUGUST 31, 2014

	Unrestricted	Temporarily Restricted	Total
REVENUES, GAINS AND OTHER SUPPORT			
Public Support:			
Contributions, Net of Write-Offs	\$ 1,810,647	\$ 84,104	\$ 1,894,751
Grants	157,820	-	157,820
Total Public Support	1,968,467	84,104	2,052,571
Internal Special Events	741,862	20,654	762,516
Less Costs of Direct Benefits to Donors	(98,284)	-	(98,284)
Total Special Events	643,578	20,654	664,232
Other Income	5,766	-	5,766
Change in Value of Beneficial Interest in Assets Held by Others	32,510	-	32,510
Net Assets Released from Restrictions	116,806	(116,806)	-
Total Revenues, Gains, and Other Support	2,767,127	(12,048)	2,755,079
EXPENSES			
Program Services:			
Wish Granting	2,183,597	-	2,183,597
Total Program Services	2,183,597	-	2,183,597
Support Services:			
Fundraising	427,857	-	427,857
Management and General	253,724	-	253,724
Total Support Services	681,581	-	681,581
Total Program and Support Services Expense	2,865,178	-	2,865,178
Change in Net Assets	(98,051)	(12,048)	(110,099)
Net Assets - Beginning of Year	438,351	116,806	555,157
NET ASSETS - END OF YEAR	\$ 340,300	\$ 104,758	\$ 445,058

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2015 AND 2014

	2015	2014
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (146,911)	\$ (110,099)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities:		
Depreciation and Amortization	25,089	32,818
Bad Debt Expense and Other	6,602	
Change in Beneficial Interest in Assets Held by Others	24,204	(32,510)
Contributed Property and Equipment, Inventory and Investments	-	(3,895)
Changes in Assets and Liabilities:		
Contributions Receivable	(53,183)	(20,260)
Due from Related Entities	(45,733)	(6,944)
Prepaid Expenses	1,444	(1,172)
Other Assets	(1,828)	
Accounts Payable and Accrued Expenses	19,672	70,128
Accrued Pending Wish Costs	330,406	238,093
Due to Related Entities	1,073	3,347
Net Cash Provided by Operating Activities	160,835	169,506
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	(960)	(15,216)
Net Cash Used in Investing Activities	(960)	(15,216)
 Net Increase in Cash	 159,875	 154,290
CASH - BEGINNING OF YEAR	880,078	725,788
CASH - END OF YEAR	\$ 1,039,953	\$ 880,078
Supplemental Cash Flow Information:		
Donated Property and Equipment, Stock, and Inventory	\$ -	\$ 3,895
Contributed Services	384,771	242,794
In-kind Contributions	805,418	503,605

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2015

	Program Services	Support Services			Total
	Total Program Services	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,942,992	\$ -	\$ -	\$ -	\$ 1,942,992
Salaries, Taxes, and Benefits	313,388	218,596	170,718	389,314	702,702
Printing, Subscriptions, and Publications	3,231	9,088	502	9,590	12,821
Professional Fees	12,184	5,934	20,790	26,724	38,908
Rent and Utilities	48,341	22,852	16,699	39,551	87,892
Postage and Delivery	1,184	1,200	240	1,440	2,624
Travel	12,112	19,307	13,637	32,944	45,056
Meetings and Conferences	16,253	12,357	4,903	17,260	33,513
Office Supplies	7,120	4,246	2,934	7,180	14,300
Communications	8,911	5,264	2,216	7,480	16,391
Repairs and Maintenance	1,561	547	2,270	2,817	4,378
Insurance	-	-	100	100	100
Bad Debt Expense	10	6,592	-	6,592	6,602
Membership Dues	220	2,143	-	2,143	2,363
National Partnership Dues	47,961	22,672	16,568	39,240	87,201
Miscellaneous	18,670	22,755	15,954	38,709	57,379
Depreciation and Amortization	13,799	6,523	4,767	11,290	25,089
	<u>\$ 2,447,937</u>	<u>\$ 360,076</u>	<u>\$ 272,298</u>	<u>\$ 632,374</u>	<u>\$ 3,080,311</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2014

	Program Services	Support Services			Total
	Total Program Services	Fundraising	Management and General	Total Support Services	
Direct Costs of Wishes	\$ 1,703,048	\$ -	\$ -	\$ -	\$ 1,703,048
Salaries, Taxes, and Benefits	298,561	233,554	173,046	406,600	705,161
Printing, Subscriptions, and Publications	1,175	15,215	92	15,307	16,482
Professional Fees	9,845	7,191	12,739	19,930	29,775
Rent and Utilities	37,531	29,084	18,766	47,850	85,381
Postage and Delivery	1,638	3,396	328	3,724	5,362
Travel	11,588	17,648	13,543	31,191	42,779
Meetings and Conferences	14,755	16,907	6,253	23,160	37,915
Office Supplies	7,714	7,434	3,345	10,779	18,493
Communications	6,664	5,746	2,953	8,699	15,363
Repairs and Maintenance	1,134	936	639	1,575	2,709
Membership Dues	215	1,824	-	1,824	2,039
National Partnership Dues	66,521	9,381	9,381	18,762	85,283
Miscellaneous	8,768	68,383	5,419	73,802	82,570
Depreciation and Amortization	14,440	11,158	7,220	18,378	32,818
	<u>\$ 2,183,597</u>	<u>\$ 427,857</u>	<u>\$ 253,724</u>	<u>\$ 681,581</u>	<u>\$ 2,865,178</u>

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Oklahoma, Inc. (the Foundation) is an Oklahoma not-for-profit corporation, organized for the purpose of granting wishes to children with life-threatening medical conditions. The Foundation is an independently operating chapter of Make-A-Wish Foundation of America (National Organization), which operates to develop and implement national programs in public relations and fundraising for the benefit of all local chapters. In addition, the local chapter is obligated to comply with a chapter agreement with the National Organization and such guidelines, resolutions, and policies as may be adopted by the National Organization's board of directors.

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP) applicable to not-for-profit entities.

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.

Property and Equipment, Net

Property and equipment having a unit cost greater than \$500 and a useful life of more than one year are capitalized at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions are released once the asset has been placed into service. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally three to seven years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the lease(s). 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 OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

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 Inputs: 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 Inputs: 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 Inputs: 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.

See additional information in Note 3.

The Foundation adopted the net asset value (NAV) per share or its equivalent for valuing certain investments in funds that do not have readily determinable fair values. NAV, in many instances, may not equal fair value.

Net Assets

The Foundation's net assets and changes therein are classified and reported as follows:

- **Permanently restricted net assets** – Net assets subject to donor-imposed restrictions that the principal be maintained in perpetuity. Generally, the donors of these assets permit the Foundation to use all or part of the income earned on related investments for unrestricted purposes.
- **Temporarily restricted net assets** – Net assets subject to restrictions imposed by donor or law that may be met either by actions of the Foundation or the passage of time.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets (Continued)

- **Unrestricted net assets** – Net assets that are not subject to donor-imposed restrictions or law.

Revenue Recognition

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 contribution revenue. Conditional promises are recorded as revenue once the conditions are substantially met. Contributions, grants, and bequests are recognized as either temporarily or permanently restricted if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. When restrictions are met in the same period as the contribution is received, the Foundation records the contribution and the expense as unrestricted. 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.

The Foundation received in-kind contributions of assets and services that are included in the accompanying statements of activities as follows:

	2015	2014
Contributions:		
Wish Related	\$ 834,259	\$ 633,250
Property and Equipment	-	3,895
Other	24,843	55,644
Total	\$ 859,102	\$ 692,789
Special Event Revenue:		
Internal Special Events	\$ 9,487	\$ 53,610

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. Internal special event in-kind amounts 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.

Program or supporting services expenses were recorded at fair value totaling \$730,801 and \$746,399 in 2015 and 2014, respectively, with the difference recorded as other assets representing primarily auction items received and not yet used.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is a not-for-profit organization exempt from federal income and Oklahoma taxes under the provisions of Internal Revenue Code 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, 2015 and 2014. The Foundation files income tax returns in the U.S. federal jurisdiction.

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 that grant wishes to children with life-threatening medical conditions.

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, 2015 and 2014, the Foundation incurred no significant joint costs for activities that include fundraising appeals.

Management and General

All costs not identifiable with a single program or fundraising activity, 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.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Management Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, valuation of investments and contributions receivable, accrued pending wish costs, net of attrition on pending wish costs and whether an allowance for uncollectible contributions receivable is required. The current economic environment continues to create a high degree of uncertainty in those estimates and assumptions.

NOTE 3 FAIR VALUE MEASUREMENTS

Beneficial Interests in Assets Held by Others

As of August 31, 2015 and 2014 respectively, the Foundation had a beneficial interest in assets held by others of \$281,485 and \$305,688. This interest consists of funds contributed to the Wishes Forever Endowment Fund at the National Office and to three separate community foundations: Oklahoma City Community Foundation, Communities Foundation of Oklahoma, and Tulsa Community Foundation. An endowment agreement has been signed between the chapter and National Office, as well as with each of the three separate community foundations. Distributions from the National Office and community foundations are made in accordance with spending policy adopted by the National Office and the board of directors for each respective community foundation. The National Office and community foundations have variance power as it relates to these assets. The beneficial interest in assets held by others of \$281,485 and \$305,688 as of August 31, 2015 and 2014 respectively, consists of funds contributed by the Foundation and the earnings thereon, net the distributions received. The beneficial interest in assets held by others are classified as unrestricted net assets in the statements for financial position. In addition, the three community foundations held approximate \$91,744 and \$84,876 at August 31, 2015 and 2014 respectively, that represents funds donated by others parties to be held for the benefit of the Foundation. These amounts are not included in Foundation's total assets or net assets at years ended August 31, 2015 and 2014.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy

The following table presents the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at August 31, 2015:

	Fair Value Measurements at August 31, 2015 Using			
	(Level 1)	(Level 2)	(Level 3)	Total
Assets:				
Nonrecurring:				
Beneficial Interest in Asset Held by Others	\$ -	\$ -	\$ 281,485	\$ 281,485
Total	\$ -	\$ -	\$ 281,485	\$ 281,485

The following table presents the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at August 31, 2014:

	Fair Value Measurements at August 31, 2014 Using			
	(Level 1)	(Level 2)	(Level 3)	Total
Assets:				
Nonrecurring:				
Beneficial Interest in Asset Held by Others	\$ -	\$ -	\$ 305,688	\$ 305,688
Total	\$ -	\$ -	\$ 305,688	\$ 305,688

For the valuation of beneficial interest in assets held by others at August 31, 2015 and August 31, 2014, the Foundation used significant unobservable inputs including information from owner-to-owner transactions and the foundation's own assumptions (Level 3).

The Foundation does not develop unobservable inputs for level 3 assets Fair Value is determined by asset values reported by third-party trustees.

The following table presents a roll forward of activity for investments measured at fair value using significant unobservable inputs (Level 3) for the year ended August 31, 2015:

Beginning Balance	\$ 305,689
Total Gains or Losses (Realized/Unrealized) Included in Changes in Net Assets	(24,204)
Ending Balance	\$ 281,485
 Change in Unrealized Gains or Losses for the Period Included in the Change in Net Assets Relating to Investments Still Held at End of Reporting Period	 \$ (24,204)

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 3 FAIR VALUE MEASUREMENTS (CONTINUED)

Fair Value Hierarchy (Continued)

The following table presents a roll forward of activity for investments measured at fair value using significant unobservable inputs (Level 3) for the year ended August 31, 2014:

		<u>(Level 3)</u>
Beginning Balance	\$	<u>273,179</u>
Total Gains or Losses (Realized/Unrealized) Included in Changes in Net Assets		32,510
Ending Balance	\$	<u><u>305,689</u></u>
Change in Unrealized Gains or Losses for the Period Included in the Change in Net Assets Relating to Investments Still Held at End of Reporting Period		<u><u>\$ 32,510</u></u>

NOTE 4 TRANSACTIONS WITH RELATED ENTITIES

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel and training scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the years ended August 31, 2015 and 2014, respectively, the Foundation received \$467,106 and \$305,689, respectively, from these national revenue streams.

Conversely, the chapter pays amounts to the National Organization for annual dues, insurance, and other miscellaneous ancillary expenses that Make-A-Wish Foundation of America pays on behalf of the Foundation. Amounts totaling \$90,565 and \$93,460 were paid from the Foundation to the National Organization during the years ended August 31, 2015 and 2014, 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 Foundation received \$3,000 and \$1,800 for the years ended August 31, 2015 and 2014, respectively, which is recorded in the accompanying statements of activities as other income.

Amounts due from and to related entities are as follows:

	<u>2015</u>	<u>2014</u>
Balance at August 31:		
Due from National Organization	\$ 81,156	\$ 35,430
Due from Other Chapters	1,038	1,031
Total Due from Related Entities	<u><u>\$ 82,194</u></u>	<u><u>\$ 36,461</u></u>
Due to Other Chapters	<u><u>\$ 4,570</u></u>	<u><u>\$ 3,497</u></u>

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015 AND 2014

NOTE 4 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.

During 2015 and 2014 the Foundation received contributions, both cash and in-kind, from board members totaling \$18,857 and \$63,138, respectively. There were no amounts paid to related parties for goods and services used in foundation's operations.

NOTE 5 PROPERTY AND EQUIPMENT, NET

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

	2015	2014
Computer Equipment and Software	\$ 57,007	\$ 57,007
Office Furniture	61,170	60,211
Other Equipment	28,701	28,701
	<u>146,878</u>	<u>145,919</u>
Less Accumulated Depreciation and Amortization	(136,329)	(111,241)
Property and Equipment, Net	<u>\$ 10,549</u>	<u>\$ 34,678</u>

Depreciation and amortization expense totaled \$25,089 and \$32,818 for the years ended August 31, 2015 and 2014, respectively.

NOTE 6 ACCRUED PENDING WISH COSTS

The Foundation accrues for estimated costs of reportable pending wishes as unconditional promises to give when five certain, measurable wish criteria are met. Prior to meeting these five criteria, the wish is considered a conditional promise to give due to the inherent uncertainties surrounding these criteria and is therefore not accrued as a pending wish liability. Reportable pending wish criteria include:

1. Receiving a referral,
2. Obtaining the required medical eligibility form,
3. Contact with the wish family has occurred to determine the prospective wish,
4. Determination that the wish falls within the National Organization's wish granting policy, and
5. The wish is expected to be granted within the next 12 months.

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NOTE 6 ACCRUED PENDING WISH COSTS (CONTINUED)

Estimated cash and in-kind costs owed as of year end for all reportable pending wishes are accrued as pending wish liability. The in-kind portion of the pending wish liability represents the estimated in-kind outlay that is expected to be incurred in fulfilling each wish; note that the matching in-kind revenues are recognized when an unconditional promise is received for the required goods or services or in the future period when the wish is granted.

The Foundation, as part of its estimate of accrued pending wish costs, also considers attrition on pending wish costs. An attrition rate is calculated by the Foundation by analyzing the trend of wishes that have been accrued for using the five criteria discussed above that have not been able to be completed within the past twelve months due to factors outside of the control of the chapter, such as the death of a child, the move of the family out of the chapter's territory, or loss of contact with the family. As of August 31, 2015 and 2014, the Foundation had approximately 98 and 74 reportable pending wishes, respectively.

NOTE 7 LEASES

The Foundation is obligated under various operating leases for offices, which expire at various dates through March 31, 2017. Total rent expense for all operating leases for the years ended August 31, 2015 and 2014 totaled \$87,892 and \$85,381, respectively.

Future minimum lease payments under operating leases having remaining terms in excess of one year are as follows:

<u>Year Ending August 31:</u>	<u>Amount</u>
2016	\$ 69,760
2017	40,793
Total Minimum Lease Payments	<u>\$ 110,553</u>

NOTE 8 TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are available for the following purposes for the year ended August 31:

	<u>2015</u>	<u>2014</u>
Wish Granting	\$ 137,788	\$ 84,104
Restricted for Payroll	56,538	-
Special Event	36,287	20,654
Total Temporarily Restricted Net Assets	<u>\$ 230,613</u>	<u>\$ 104,758</u>

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NOTE 9 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, 2015 and 2014 were \$20,929 and \$20,769, respectively.

NOTE 10 CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash. The Foundation places its cash with high credit quality financial institutions and generally limits the amount of credit exposure not to exceed the FDIC insurance coverage limit of \$250,000. From time to time throughout the year, the Foundation's cash balances may exceed the amount of the FDIC insurance coverage.

In-kind contributions totaling \$432,102 and \$401,363 were received from a single donor for the years ended August 31, 2015 and 2014, respectively, which represents 15% of total public support for both years. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 11 LITIGATION AND CLAIMS

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

NOTE 12 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through February 8, 2016, the date at which the financial statements were available to be issued.