



**MAKE-A-WISH FOUNDATION<sup>®</sup> OF OKLAHOMA**

Financial Statements

August 31, 2013 and 2012

(With Independent Auditors' Report Thereon)

# MAKE-A-WISH FOUNDATION® OF OKLAHOMA

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**KPMG LLP**  
210 Park Avenue, Suite 2850  
Oklahoma City, OK 73102-5683

## **Independent Auditors' Report**

The Board of Directors  
Make-A-Wish Foundation® of Oklahoma

We have audited the accompanying financial statements of Make-A-Wish Foundation® of Oklahoma (the Foundation), which comprise the statements of financial position as of August 31, 2013 and 2012, and the related statements of activities, functional expenses, and cash flows 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 U.S. generally accepted accounting principles; this includes 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.

### ***Auditors' Responsibility***

Our responsibility is to express an opinion on these financial statements based on our audits. 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 audit 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.



***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 as of August 31, 2013 and 2012, and the changes in net assets and its cash flows for the years then ended in accordance with U.S. generally accepted accounting principles.

**KPMG LLP**

Oklahoma City, Oklahoma  
December 13, 2013

**MAKE-A-WISH FOUNDATION® OF OKLAHOMA**

Statements of Financial Position

August 31, 2013 and 2012

Assets	2013	2012
Cash and cash equivalents	\$ 725,788	706,386
Due from related entities	29,517	12,310
Prepaid expenses	573	474
Contributions receivable, net	72,247	102,486
Other assets	12,200	12,200
Property and equipment, net	48,385	51,760
Beneficial interest in assets held by others	273,179	254,256
Total assets	\$ 1,161,889	1,139,872
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 97,840	127,578
Accrued pending wish costs	508,700	678,809
Due to related entities	150	4,389
Other liabilities	—	42,217
Total liabilities	606,690	852,993
Commitments and contingencies		
Net assets:		
Unrestricted	438,393	185,128
Temporarily restricted	116,806	101,751
Total net assets	555,199	286,879
Total liabilities and net assets	\$ 1,161,889	1,139,872

See accompanying notes to financial statements.

**MAKE-A-WISH FOUNDATION® OF OKLAHOMA**

Statement of Activities

Year ended August 31, 2013

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Revenues, gains, and other support:			
Public support:			
Contributions	\$ 1,550,408	70,947	1,621,355
Grants	175,315	—	175,315
Total public support	<u>1,725,723</u>	<u>70,947</u>	<u>1,796,670</u>
Internal special events	800,127	45,859	845,986
Less costs of direct benefits to donors	(106,773)	—	(106,773)
Total special events	<u>693,354</u>	<u>45,859</u>	<u>739,213</u>
Investment income, net	21,121	—	21,121
Other income	6,556	—	6,556
Net assets released from restrictions	101,751	(101,751)	—
Total revenues, gains, and other support	<u>2,548,505</u>	<u>15,055</u>	<u>2,563,560</u>
Expenses:			
Program services:			
Wish granting	1,681,494	—	1,681,494
Total program services	<u>1,681,494</u>	<u>—</u>	<u>1,681,494</u>
Support services:			
Fundraising	348,769	—	348,769
Management and general	264,977	—	264,977
Total support services	<u>613,746</u>	<u>—</u>	<u>613,746</u>
Total program and support services expenses	<u>2,295,240</u>	<u>—</u>	<u>2,295,240</u>
Total expenses and losses	<u>2,295,240</u>	<u>—</u>	<u>2,295,240</u>
Change in net assets	253,265	15,055	268,320
Net assets, beginning of the year	185,128	101,751	286,879
Net assets, end of the year	\$ <u>438,393</u>	<u>116,806</u>	<u>555,199</u>

See accompanying notes to financial statements.

**MAKE-A-WISH FOUNDATION® OF OKLAHOMA**

Statement of Activities

Year ended August 31, 2012

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Revenues, gains, and other support:			
Public support:			
Contributions	\$ 1,766,869	101,751	1,868,620
Grants	100,332	—	100,332
Total public support	<u>1,867,201</u>	<u>101,751</u>	<u>1,968,952</u>
Internal special events	611,519	—	611,519
Less costs of direct benefits to donors	(81,611)	—	(81,611)
Total special events	<u>529,908</u>	<u>—</u>	<u>529,908</u>
Investment income, net	2,868	—	2,868
Other income	5,022	—	5,022
Net assets released from restrictions	75,993	(75,993)	—
Total revenues, gains, and other support	<u>2,480,992</u>	<u>25,758</u>	<u>2,506,750</u>
Expenses:			
Program services:			
Wish granting	1,805,505	—	1,805,505
Total program services	<u>1,805,505</u>	<u>—</u>	<u>1,805,505</u>
Support services:			
Fundraising	340,757	—	340,757
Management and general	219,230	—	219,230
Total support services	<u>559,987</u>	<u>—</u>	<u>559,987</u>
Total program and support services expenses	<u>2,365,492</u>	<u>—</u>	<u>2,365,492</u>
Total expenses and losses	<u>2,365,492</u>	<u>—</u>	<u>2,365,492</u>
Change in net assets	115,500	25,758	141,258
Net assets, beginning of the year	69,628	75,993	145,621
Net assets, end of the year	<u>\$ 185,128</u>	<u>101,751</u>	<u>286,879</u>

See accompanying notes to financial statements.

**MAKE-A-WISH FOUNDATION® OF OKLAHOMA**

Statements of Cash Flows

Years ended August 31, 2013 and 2012

	<u>2013</u>	<u>2012</u>
Cash flows from operating activities:		
Change in net assets	\$ 268,320	141,258
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	25,867	15,955
Net realized and unrealized gains on investments	(18,923)	(2,868)
Change in attrition on pending wish liability	(14,303)	—
Changes in assets and liabilities:		
Contributions receivable	30,239	(25,771)
Due from related entities	(17,207)	12,289
Prepaid expenses	(99)	1,540
Accounts payable and accrued expenses	(29,738)	12,544
Accrued pending wish costs	(155,806)	156,269
Due to related entities	(4,239)	644
Other liabilities	(42,217)	37,117
Net cash provided by operating activities	<u>41,894</u>	<u>348,977</u>
Cash flows from investing activities:		
Purchases of property and equipment	(22,492)	(1,758)
Deposits of beneficial interest in assets held by others	—	(150,000)
Net cash used in investing activities	<u>(22,492)</u>	<u>(151,758)</u>
Net increase in cash and cash equivalents	19,402	197,219
Cash and cash equivalents, beginning of year	<u>706,386</u>	<u>509,167</u>
Cash and cash equivalents, end of year	\$ <u><u>725,788</u></u>	<u><u>706,386</u></u>
Supplemental cash flow information:		
In-kind contributions	\$ 577,848	582,551
Disposal of fully depreciated equipment	24,614	—

See accompanying notes to financial statements.



**MAKE-A-WISH FOUNDATION® OF OKLAHOMA**

Statement of Functional Expenses

Year ended August 31, 2013

	Program services			Support services		Total
	Wish granting	Fundraising	Management and general	Total support services		
Direct costs of wishes	\$ 1,172,346	—	—	—	—	1,172,346
Salaries, taxes, and benefits	312,612	182,711	193,613	376,324	688,936	688,936
Printing, subscriptions, and publications	3,852	13,672	1,482	15,154	19,006	19,006
Professional fees	11,152	12,163	12,853	25,016	36,168	36,168
Rent and utilities	43,437	20,048	20,048	40,096	83,533	83,533
Postage and delivery	1,472	4,565	373	4,938	6,410	6,410
Travel	11,166	11,698	8,547	20,245	31,411	31,411
Meetings and conferences	5,860	12,204	2,114	14,318	20,178	20,178
Office supplies	5,524	5,321	2,045	7,366	12,890	12,890
Communications	6,802	4,085	2,349	6,434	13,236	13,236
Repairs and maintenance	1,038	479	479	958	1,996	1,996
Membership dues	215	1,056	—	1,056	1,271	1,271
National partnership dues	68,176	10,356	7,767	18,123	86,299	86,299
Miscellaneous	24,391	64,203	7,099	71,302	95,693	95,693
Depreciation and amortization	13,451	6,208	6,208	12,416	25,867	25,867
	\$ 1,681,494	348,769	264,977	613,746	2,295,240	2,295,240

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See accompanying notes to financial statements.

**MAKE-A-WISH FOUNDATION® OF OKLAHOMA**

Statement of Functional Expenses

Year ended August 31, 2012

	Program services		Support services		Total
	Wish granting	Fundraising	Management and general	Total support services	
Direct costs of wishes	\$ 1,415,863	—	—	—	1,415,863
Salaries, taxes, and benefits	253,374	181,945	157,456	339,401	592,775
Printing, subscriptions, and publications	839	7,581	265	7,846	8,685
Professional fees	9,301	6,220	5,242	11,462	20,763
Rent and utilities	35,083	26,730	21,718	48,448	83,531
Postage and delivery	970	4,325	315	4,640	5,610
Travel	12,624	13,413	11,686	25,099	37,723
Meetings and conferences	2,279	11,339	1,131	12,470	14,749
Office supplies	5,770	5,407	2,772	8,179	13,949
Communications	5,593	4,330	2,509	6,839	12,432
Repairs and maintenance	703	712	435	1,147	1,850
Membership dues	38	1,014	23	1,037	1,075
National partnership dues	48,983	8,270	6,361	14,631	63,614
Miscellaneous	7,384	64,365	5,169	69,534	76,918
Depreciation and amortization	6,701	5,106	4,148	9,254	15,955
	\$ 1,805,505	340,757	219,230	559,987	2,365,492

See accompanying notes to financial statements.

# MAKE-A-WISH FOUNDATION® OF OKLAHOMA

## Notes to Financial Statements

August 31, 2013 and 2012

### (1) Organization

Make-A-Wish Foundation® of Oklahoma (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.

### (2) Summary of Significant Accounting Policies

#### (a) *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).

#### (b) *Cash and Cash Equivalents*

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. There were no cash equivalents at August 31, 2013 and 2012.

#### (c) *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. Contributions are written off when deemed uncollectible.

#### (d) *Property and Equipment, Net*

Property and equipment having 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.

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.

#### (e) *Fair Value Measurements*

The Foundation follows the provisions of Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, for fair value measurements of financial assets and financial

## MAKE-A-WISH FOUNDATION® OF OKLAHOMA

### Notes to Financial Statements

August 31, 2013 and 2012

liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC Topic 820 defines fair value as 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. ASC Topic 820 also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

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.

In conjunction with the adoption of ASC Topic 820, the Foundation elected to adopt ASU 2009-12 to certain investments in funds that do not have readily determinable fair values. Net asset value, in many instances, may not equal fair values that would be calculated pursuant to ASC Topic 820. Investments that have limited marketability, including beneficial interest in assets held by others, are stated at fair value using asset values per unit or its equivalent.

#### *(f) 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. The Foundation had no permanently restricted net assets for fiscal years 2013 and 2012.
- **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.
- **Unrestricted net assets** – Net assets that are not subject to donor-imposed restrictions or law.

**MAKE-A-WISH FOUNDATION® OF OKLAHOMA**

Notes to Financial Statements

August 31, 2013 and 2012

**(g) Revenue Recognition**

Unconditional promises to give are recorded as contributions revenue when the promise is received. 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:

	<u>2013</u>	<u>2012</u>
Contributions:		
Wish related	\$ 507,911	504,320
Other	33,948	35,886
Total	<u>\$ 541,859</u>	<u>540,206</u>
Special event revenue:		
Internal special events	\$ 35,989	42,345

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 \$577,848 and \$582,551 in 2013 and 2012, respectively.

**(h) 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.

# MAKE-A-WISH FOUNDATION® OF OKLAHOMA

## Notes to Financial Statements

August 31, 2013 and 2012

The Foundation has adopted ASC Topic 740, *Income Taxes*, which prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of a tax position taken or expected to be taken in a tax return, and provides guidance on de-recognition, classification, interest and penalties, disclosure, and transition. Management believes that no such uncertain tax position exists for the Foundation at August 31, 2013 or 2012.

**(i) 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, 2013 and 2012, the Foundation incurred no significant joint costs for activities that included 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.

**(j) Management Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles 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. 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 has increased the degree of uncertainty inherent in those estimates and assumptions.

## MAKE-A-WISH FOUNDATION® OF OKLAHOMA

### Notes to Financial Statements

August 31, 2013 and 2012

#### (3) Beneficial Interest in Assets Held by Others

As of August 31, 2013 and 2012, the Foundation had a beneficial interest in assets held by others of \$273,179 and \$254,256, respectively. 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, Community 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 the 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 \$273,179 and \$254,256 as of August 31, 2013 and 2012, respectively, consists of funds contributed by the Foundation and the earnings thereon, net of distributions received. The beneficial interest in assets held by others are classified as unrestricted net assets in the statements of financial position. In addition, the three community foundations held approximately \$88,000 and \$84,000 at August 31, 2013 and 2012, respectively, that represented funds donated by other parties to be held for the benefit of the Foundation. These amounts are not included in the Foundation's total assets or net assets at August 31, 2013 and 2012.

The Foundation has adopted ASC Topic 820 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. See note 2 to the Financial Statements.

The Foundation at August 31, 2013 and 2012 has \$273,179 and \$254,256 of beneficial interest in assets held by others, respectively, which are Level 3 securities under ASC Topic 820.

For the valuation of beneficial interest in assets held by others at August 31, 2013 and 2012, 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.

**MAKE-A-WISH FOUNDATION® OF OKLAHOMA**

Notes to Financial Statements

August 31, 2013 and 2012

The following table presents a roll-forward of activity for investments measured at fair value using significant unobservable inputs (Level 3) for the years ended August 31, 2013 and 2012:

	<b>2013</b> <b>Fair value</b> <b>measurements</b> <b>using</b> <b>significant</b> <b>unobservable</b> <b>inputs</b> <b>(Level 3)</b>
Beginning balance	\$ 254,256
Total gains or losses (realized/unrealized) included in changes in net assets	<u>18,923</u>
Ending balance	\$ <u><u>273,179</u></u>
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	\$ 18,923
	<b>2012</b> <b>Fair value</b> <b>measurements</b> <b>using</b> <b>significant</b> <b>unobservable</b> <b>inputs</b> <b>(Level 3)</b>
Beginning balance	\$ 101,388
Total gains or losses (realized/unrealized) included in changes in net assets	2,868
Purchases	<u>150,000</u>
Ending balance	\$ <u><u>254,256</u></u>
The amount of total gains or losses for the period included in changes in net assets attributable to the change in unrealized gains or losses relating to investments still held at the reporting date	\$ 2,868



**MAKE-A-WISH FOUNDATION® OF OKLAHOMA**

Notes to Financial Statements

August 31, 2013 and 2012

Total investment income, gains, and losses for the year ended August 31, 2013 and 2012 consisted of the following:

	<u>2013</u>	<u>2012</u>
Interest and dividend income	\$ 2,198	—
Realized and unrealized gains (losses), net	<u>18,923</u>	<u>2,868</u>
Investment income	<u>\$ 21,121</u>	<u>2,868</u>

**(4) Contributions Receivable**

Contributions receivable represents contributions acknowledged in writing from third parties prior to August 31, but not transmitted to the Foundation until after that date. 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. These inputs to the fair value estimate are considered Level 3 in the fair value hierarchy. In subsequent periods, the discount rate is unchanged and the allowance for uncollectible contributions is reassessed and adjusted if necessary. Contributions receivable are generally collected within one year.

**(5) Transactions with Related Entities**

The National Organization conducts national fundraising efforts for which cash and in-kind donations are received and shared with the Foundation. These funds represent revenues associated with: distributions from national partners, individual donation amounts collected via online and white mail donations, amounts for internal grants, travel and training scholarships, amounts to fund the Adopt-A-Wish® program, and other miscellaneous revenues. During the years ended August 31, 2013 and 2012, the Foundation received \$277,986 and \$211,392, 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 \$89,607 and \$65,285 were paid from the Foundation to Make-A-Wish Foundation of America® during the years ending August 31, 2013 and 2012, 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 \$1,650 and \$1,175 for the years ended August 31, 2013 and 2012, respectively, which is recorded in the accompanying statements of activities as other income.

**MAKE-A-WISH FOUNDATION® OF OKLAHOMA**

Notes to Financial Statements

August 31, 2013 and 2012

Amounts due from and to related entities are as follows:

	<u>2013</u>	<u>2012</u>
Balance at August 31:		
Due from National Organization	\$ 29,517	11,985
Due from other chapters	—	325
Total due from related entities	<u>\$ 29,517</u>	<u>12,310</u>
Due to other chapters	\$ 150	4,389

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 2013 and 2012, the Foundation received contributions, both cash and in-kind, from board members totaling \$37,720 and \$700, respectively. There were no amounts paid to related parties for goods and services used in the Foundation's operations.

**(6) Property and Equipment, Net**

Property and equipment as of August 31, 2013 and 2012 consist of the following:

	<u>2013</u>	<u>2012</u>
Computer equipment and software	\$ 48,444	50,566
Office furniture	51,784	51,784
Other equipment	26,881	26,881
	<u>127,109</u>	<u>129,231</u>
Less accumulated depreciation and amortization	<u>(78,724)</u>	<u>(77,471)</u>
Property and equipment, net	<u>\$ 48,385</u>	<u>51,760</u>

Depreciation and amortization expense totaled \$25,867 and \$15,955 for the years ended August 31, 2013 and 2012, respectively.

**(7) Accrued Pending Wish Costs**

The Foundation accrues for an estimated cost 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,

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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.

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, 2013 and 2012, the Foundation had approximately 59 and 76 reportable pending wishes, respectively.

**(8) Leases**

The Foundation is obligated under an operating lease for offices, which expires March 31, 2017. Total rent expense for all operating leases for the years ended August 31, 2013 and 2012 totaled \$83,533 and \$83,531, respectively.

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

	<u>Operating leases</u>
Year ending August 31:	
2014	\$ 67,217
2015	69,760
2016	69,760
2017	<u>40,693</u>
Total minimum lease payments	<u>\$ 247,430</u>

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**(9) Temporarily Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes for the years ended August 31, 2013 and 2012:

	<u>2013</u>	<u>2012</u>
Special event	\$ 45,859	—
Time restrictions	<u>70,947</u>	<u>101,751</u>
Total temporarily restricted net assets	<u>\$ 116,806</u>	<u>101,751</u>

**(10) 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, 2013 and 2012 were \$17,419 and \$13,304, respectively.

**(11) Concentrations of Credit Risk**

Financial instruments that potentially subject the Foundation to concentration of credit risk consist principally of cash, cash equivalents, and investments. The Foundation places its cash and investments 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 \$376,087 and \$151,911 were received from a single donor for the years ended August 31, 2013 and 2012, respectively, which represents 21% and 8%, respectively, of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

**(12) Subsequent Events**

The Foundation has evaluated subsequent events from the statement of financial position date through December 13, 2013, the date at which the financial statements were available to be issued.

