

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

FINANCIAL STATEMENTS

YEAR ENDED AUGUST 31, 2019



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**MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
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YEAR ENDED AUGUST 31, 2019**

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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 statement of financial position as of August 31, 2019, and the related statements of activities, functional expenses, and cash flows, for the year 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 audit 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 of 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 controls 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 controls. 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, 2019, and change in its net assets and its cash flows for the year ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matters

As discussed in Note 2 to the financial statements, the Make-A-Wish Foundation® of Oklahoma, Inc. adopted a new accounting principle during the year ended August 31, 2019: Accounting Standards Update (ASU) 2016-14, Not-for-Profit Entities (Topic 958) – *Presentation of Financial Statements of Not-for-Profit Entities*. Make-A-Wish Foundation® of Oklahoma, Inc. also changed an accounting policy with the elimination of the pending wish liability from the Foundation's statement of financial position. Our opinion is not modified with respect to these matters.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Lakeland, Florida
December 11, 2019

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2019

ASSETS

Cash and Cash Equivalents	\$ 415,142
Due from Related Entities	27,793
Prepaid Expenses	98,148
Contributions Receivable	136,019
Other Assets	20,524
Inventory	973
Property and Equipment, Net	15,753
Beneficial Interest in Assets Held by Others	<u>304,041</u>
 Total Assets	 <u><u>\$ 1,018,393</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable and Accrued Expenses	\$ 123,801
Due to Related Entities	6,838
Deferred Rent	8,943
Total Liabilities	<u>139,582</u>

NET ASSETS

Without Donor Restrictions	756,211
With Donor Restrictions	122,600
Total Net Assets	<u>878,811</u>

Total Liabilities and Net Assets	<u><u>\$ 1,018,393</u></u>
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See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
STATEMENT OF ACTIVITIES
AUGUST 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS, AND OTHER SUPPORT			
Public Support:			
Contributions	\$ 1,871,763	\$ 122,600	\$ 1,994,363
Grants	231,188	-	231,188
Total Public Support	2,102,951	122,600	2,225,551
Internal Special Events	724,666	-	724,666
Less Costs of Direct Benefits to Donors	(91,144)	-	(91,144)
Total Internal Special Events	633,522	-	633,522
Other Income	4,736	-	4,736
Change in Value of Beneficial Interest in Assets Held by Others	(4,976)	-	(4,976)
Net Assets Released from Restrictions	263,270	(263,270)	-
Total Revenues, Gains, and Other Support	2,999,503	(140,670)	2,858,833
EXPENSES			
Program Services:			
Wish Granting	2,459,688	-	2,459,688
Total Program Services	2,459,688	-	2,459,688
Support Services:			
Fundraising	544,794	-	544,794
Management and General	229,016	-	229,016
Total Support Services	773,810	-	773,810
Total Program and Support Services Expense	3,233,498	-	3,233,498
CHANGE IN NET ASSETS	(233,995)	(140,670)	(374,665)
Net Assets (Deficit) - Beginning of Year - Before Change in Accounting Policy	(526,707)	263,270	(263,437)
Change in Accounting Policy	1,516,913	-	1,516,913
Net Assets - Beginning of Year - As Adjusted	990,206	263,270	1,253,476
NET ASSETS - END OF YEAR	\$ 756,211	\$ 122,600	\$ 878,811

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED AUGUST 31, 2019

	Support Services					Direct Donor Benefits	Total
	Wish Granting	Fundraising	Management and General	Total Support Services			
Direct Costs of Wishes	\$ 1,858,344	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,858,344
Salaries, Taxes, and Benefits	404,166	404,834	143,035	547,869	-	-	952,035
Printing, Subscriptions, and Publications	3,543	7,972	977	8,949	-	-	12,492
Professional Fees	10,661	10,062	45,616	55,678	-	-	66,339
Rent and Utilities	44,348	31,304	11,304	42,608	-	-	86,956
Postage and Delivery	2,151	1,725	343	2,068	-	-	4,219
Travel	14,532	14,996	3,873	18,869	-	-	33,401
Meetings and Conferences	10,666	17,505	5,736	23,241	-	-	33,907
Office Supplies	16,004	7,193	2,576	9,769	-	-	25,773
Communications	11,664	8,608	3,185	11,793	-	-	23,457
Advertising and Media (Cash)	-	4,360	-	4,360	-	-	4,360
Repairs and Maintenance	2,719	1,919	693	2,612	-	-	5,331
Insurance	35	24	-	24	-	-	59
Membership Dues	512	472	219	691	-	-	1,203
National Partnership Dues	71,397	9,941	9,038	18,979	-	-	90,376
Miscellaneous	4,715	20,892	1,342	22,234	-	-	26,949
Depreciation and Amortization	4,231	2,987	1,079	4,066	-	-	8,297
Special Event - Direct Donor Benefits	-	-	-	-	91,144	-	91,144
Total	2,459,688	544,794	229,016	773,810	91,144	-	3,324,642
Less: Expenses Netted Against Revenues on the Statement of Activities:							
Special Event Expenses	-	-	-	-	(91,144)	-	(91,144)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 2,459,688	\$ 544,794	\$ 229,016	\$ 773,810	\$ -	\$ -	\$ 3,233,498

See accompanying Notes to Financial Statements.

**MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
STATEMENT OF CASH FLOWS
YEAR ENDED AUGUST 31, 2019**

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ (374,665)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:	
Depreciation and Amortization	8,297
Gain on Sale of Property and Equipment	(250)
Contributed Property and Equipment and Inventory	(2,965)
Change in Beneficial Interest in Assets Held by Others	4,976
(Increase) Decrease in Assets:	
Due from Related Entities	(17,545)
Prepaid Expenses	(81,056)
Contributions Receivable	129,251
Other Assets	(43)
Inventory	44,151
Decrease in Liabilities:	
Accounts Payable and Accrued Expenses	(249)
Due to Related Entities	(11,579)
Deferred Rent	(2,752)
Net Cash Used by Operating Activities	(304,429)

CASH FLOWS FROM INVESTING ACTIVITIES

Purchases of Property and Equipment	(4,690)
Proceeds from Sales of Beneficial Interest in Assets Held by Others	4,623
Proceeds from Sale of Property and Equipment	250
Net Cash Provided by Investing Activities	183

NET DECREASE IN CASH AND CASH EQUIVALENTS

(304,246)

Cash and Cash Equivalents - Beginning of Year

719,388

CASH AND CASH EQUIVALENTS - END OF YEAR

\$ 415,142

SUPPLEMENTAL CASH FLOW INFORMATION

Contributed Property and Equipment	\$ 2,092
Contributed Inventory	\$ 873

See accompanying Notes to Financial Statements.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 1 ORGANIZATION

Make-A-Wish Foundation® of Oklahoma, Inc. (the Foundation) is an Oklahoma nonprofit corporation, organized for the purpose of creating life changing wishes for children with critical illnesses. The Foundation is an independently operating chapter of Make-A-Wish Foundation of America (National Organization), which 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 accounting principles generally accepted in the United States of America (GAAP) applicable to nonprofit entities.

Cash and Cash Equivalents

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

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.

All contributions receivable are due within the next 12 months. Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at August 31, 2019.

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 3 to 7 years. 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.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Property and Equipment, Net (Continued)

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.

Fair Value Measurements

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

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

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

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

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

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Assets

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

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

Net Assets With Donor Restrictions – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Gifts of long-lived assets and gifts of cash restricted for the acquisition of long-lived assets are recognized as restricted revenue when received and released from restrictions when the assets are placed in service. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

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

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 contributions revenue. Conditional promises are recorded as revenue once the conditions are substantially met. Contributions of assets other than cash are recorded at their estimated 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.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (Continued)

The Foundation received in-kind contributions of assets, services, and materials that are reported in the statement of activities as follows at August 31, 2019:

	<u>Programs</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Program and Support Service				
Expenses:				
Wish Related	\$ 823,264	\$ -	\$ -	\$ 823,264
Rent	1,701	1,201	434	3,336
Other	7,389	11,926	298	19,613
Total Program and Support				
Service Expenses	<u>\$ 832,354</u>	<u>\$ 13,127</u>	<u>\$ 732</u>	846,213
Special Events				7,687
Inventory				873
Property and Equipment (Capitalized)				2,092
In-Kind Rent Receivable (Asset)				6,672
Total				<u>\$ 863,537</u>

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.

Advertising and media is used to help the Foundation communicate its message or mission and includes fund raising materials, informational material, or advertising, and may be in the form of an audio or video tape of a public service announcement, a layout for a newspaper, media time or space for public service announcements, or other purposes.

Donated advertising and media is reported as contribution revenue and fundraising expense when received and the reporting of such contributions is unaffected by whether the Foundation could afford to purchase or would have purchased the assets at their fair value.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is a nonprofit organization exempt from federal and Oklahoma income taxes under the provisions of Internal Revenue Code Section 501(c)(3) and the applicable state provisions. 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, 2019. The Foundation files income tax returns in the U.S. federal jurisdiction and state of Oklahoma 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 in granting wishes to children with critical illnesses.

Fundraising

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations.

Management and General

All costs not identifiable with a specific programs or fundraising activities, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment, and other expenses.

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

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Rent

The Foundation accounts for rent expense evenly over the term of the lease using the straight-line method. The unamortized deferred rent was \$8,943 at August 31, 2019.

Management Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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.

Change in Accounting Principle – Adoption of ASU 2016-14

On August 18, 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. The Foundation has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The adoption of this standard did not impact the Foundation's net assets as of September 1, 2018.

Change in Accounting Policy – Pending Wish Liability

Through the fiscal year ended August 31, 2018, the Foundation accrued for estimated costs of reportable pending wishes when five certain, measurable wish criteria were met. The accrual did not represent a legally binding liability but was considered a moral obligation to the child by the Foundation arising when the five criteria were met. Given the changes to the wish granting environment that have occurred in recent years, the Foundation determined that the calculation was no longer representative of the future obligations. The Foundation remains committed to its mission. Please see the commitment footnote for details about future wish granting obligations. As a result of this change in accounting policy, net assets without donor restrictions as of September 1, 2018 have increased by \$1,516,913.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 3 LIQUIDITY AND AVAILABILITY

The Foundation monitors liquidity regularly through the monthly financial package provided to the board and through the enterprise-wide benchmarks of excellence. Holding 6 months to 24 months of liquidity is considered excellent based off the enterprise-wide published scale.

Total Financial Assets	\$ 578,954
Donor Imposed Restrictions:	
Restricted Funds	<u>(122,600)</u>
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 456,354</u>

As part of our liquidity management plan, we invest cash in excess of daily requirements in short-term investments, CDs, and money market funds.

NOTE 4 FAIR VALUE MEASUREMENTS

Fair Value of Financial Instruments

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

The fair values of the financial instruments shown in the following table as of August 31, 2019, represent the amounts that would be received to sell those assets or that would be paid to transfer those liabilities in an orderly transaction between market participants at that date. Those fair value measurements maximize the use of observable inputs. However, in situations where there is little, if any, market activity for the asset or liability at the measurement date, the fair value measurement reflects the Foundation's own judgments about the assumptions that market participants would use in pricing the asset or liability. Those judgments are developed by the Foundation based on the best information available in the circumstances, including expected cash flows and appropriately risk-adjusted discount rates, and available observable and unobservable inputs

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 4 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, 2019:

	Quoted Prices in Active Markets or Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets:				
Nonrecurring:				
Beneficial Interest in Assets				
Held by Others	\$ -	\$ -	\$ 304,041	\$ 304,041
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 304,041</u>	<u>\$ 304,041</u>

The Foundation does not develop unobservable inputs for Level 3 assets, rather, 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, 2019:

Balance - Beginning of Year	\$ 313,640
Total Losses (Realized/Unrealized)	
Included in Changes in Net Assets	(4,976)
Sales	(4,623)
Balance - End of Year	<u>\$ 304,041</u>

Beneficial Interests in Assets Held by Others

As of August 31, 2019, the Foundation had a beneficial interest in assets held by others of \$304,041. This interest consists of funds contributed to the Wishes Forever Endowment Fund at the National Office and funds contributed 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 the spending policies 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 consists of funds contributed and the earnings thereon, net of distributions received, and is classified as net assets without donor restrictions in the statement of financial position. In addition, the three community foundations held approximately \$92,300 at August 31, 2019, 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 as of August 31, 2019.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 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 year ended August 31, 2019, the Foundation received \$382,663 from these national revenue streams.

Conversely, the chapter pays amounts to the National Organization for annual dues, insurance, and other miscellaneous ancillary expenses that the National Organization pays on behalf of the Foundation and for services provided by the National Organization. Amounts totaling \$137,880 were paid from the Foundation to the National Organization during the year ended August 31, 2019.

Chapters who assist with the organization and granting of wishes from other chapters are paid a “fee for service” called the wish assist fee. Under this program, the originating chapter agrees to pay a fee to the chapter of the wish destination to assist with any planning, booking, and facilitating of the wish for the home chapter. Under this program, the Foundation received \$2,250 for the year ended August 31, 2019, which is recorded in the accompanying statement of activities as other income.

Amounts due from and to related entities are as follows:

Balance - August 31, 2019:	
Due from National Organization	\$ 27,737
Due from Other Chapters	56
Total Due from Related Entities	<u>\$ 27,793</u>
Due to National Organization	\$ 59
Due to Other Chapters	6,779
Total Due to Related Entities	<u>\$ 6,838</u>

Amounts due from the National Organization represent contributions remitted to the National Organization that are identified for the Foundation’s use but were not yet transferred to the Foundation as of year-end. Amounts due from other chapters represent amounts paid in assisting other chapters with their wish granting. Amounts due to other chapters represent amounts owed to other chapters who have assisted in the granting of wishes for the Foundation. Amounts due to the National Organization generally represent unpaid chapter dues and services.

During 2019, the Foundation received contributions, both cash and in-kind, from board members totaling \$97,241. In 2019, amounts due from board members totaled \$500, and are included in contributions receivable in the accompanying statement of financial position.

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

NOTE 6 PROPERTY AND EQUIPMENT, NET

Property and equipment as of August 3, 2019 consist of the following:

Computer Equipment and Software	\$ 62,532
Office Furniture and Equipment	54,550
Total	<u>117,082</u>
Less Accumulated Depreciation and Amortization	<u>(101,329)</u>
Property and Equipment, Net	<u><u>\$ 15,753</u></u>

Depreciation and amortization expense totaled \$8,297 for the year ended August 31, 2019.

NOTE 7 LEASES

The Foundation is obligated under operating leases for office space and copiers, which expire on November 30, 2022 and May 31, 2020, respectively. Total rent expense for all operating leases for the year ended August 31, 2019 totaled \$72,271.

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>
2021	\$ 68,247
2022	66,044
2023	66,044
2024	17,199
Total	<u><u>\$ 217,534</u></u>

NOTE 8 NET ASSETS

Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes as of August 31, 2019:

Wish Granting	\$ 115,928
Office Rent	6,672
Total Donor Restricted Net Assets	<u><u>\$ 122,600</u></u>

MAKE-A-WISH FOUNDATION® OF OKLAHOMA, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2019

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 year ended August 31, 2019 were \$28,763.

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 \$466,011 were received from a single donor for the year ended August 31, 2019, which represents 21% of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

NOTE 11 LITIGATION AND CLAIMS

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

NOTE 12 COMMITMENTS

The goal of the Foundation is to grant the wish of every eligible child. During the fiscal year ended August 31, 2019, the Foundation granted 171 wishes. As of the end of the year, there were approximately 310 wish children who are eligible for a wish. The average cost of a wish for the fiscal year was \$5,283 in cash and \$5,285 in in-kind for a total cost of \$10,568.

NOTE 13 SUBSEQUENT EVENTS

The Foundation has evaluated subsequent events from the statement of financial position date through December 11, 2019, the date at which the financial statements were available to be issued.