



MAKE-A-WISH FOUNDATION[®] OF AMERICA
Consolidated Financial Statements and Supplemental Schedules
August 31, 2012 and 2011
(With Independent Auditors' Report Thereon)

MAKE-A-WISH FOUNDATION[®] OF AMERICA

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Independent Auditors' Report

The Board of Directors
Make-A-Wish Foundation[®] of America:

We have audited the accompanying consolidated statements of financial position of Make-A-Wish Foundation[®] of America (the Foundation) as of August 31, 2012 and 2011, and the related consolidated statements of activities, cash flows, and functional expenses for the years then ended. These consolidated financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these consolidated 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 consolidated financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Make-A-Wish Foundation[®] of America as of August 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with U.S. generally accepted accounting principles.

As discussed in note 1 to the consolidated financial statements, as of August 31, 2012 and 2011 the Foundation had control of and an economic interest in two affiliated chapters. Accordingly, the Foundation consolidated the financial position and results of operations of these two affiliated chapters in the accompanying consolidated financial statements. During the year ended August 31, 2011, the Foundation relinquished its control and economic interest in two additional affiliated chapters and, accordingly, the September 1, 2010 net assets reflected in the accompanying consolidated financial statements have been retrospectively adjusted to reflect the removal of these entities from the consolidated reporting entity.

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The supplementary information included in Schedules 1 through 6 is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audits of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards



generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

KPMG LLP

January 18, 2013

MAKE-A-WISH FOUNDATION® OF AMERICA

Consolidated Statements of Financial Position

August 31, 2012 and 2011

Assets	2012	2011
Cash and cash equivalents	\$ 4,874,140	10,334,029
Investments	26,180,923	25,003,175
Due from related entities	695,034	858,734
Prepaid expenses	528,474	345,850
Contributions receivable, net	7,192,795	6,151,680
Other assets	117,218	9,467
Charitable gift annuities	504,490	609,510
Investments held for long-term purposes	8,435,386	5,929,511
Property and equipment, net	2,201,241	1,540,466
Total assets	\$ <u>50,729,701</u>	<u>50,782,422</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 2,353,826	2,046,530
Accrued pending wish costs	137,570	418,281
Due to related entities	4,209,800	4,980,123
Other liabilities	1,387,710	1,408,277
Total liabilities	<u>8,088,906</u>	<u>8,853,211</u>
Commitments and contingencies		
Net assets:		
Unrestricted	27,541,949	30,063,574
Temporarily restricted	6,816,125	5,458,233
Permanently restricted	8,282,721	6,407,404
Total net assets	<u>42,640,795</u>	<u>41,929,211</u>
Total liabilities and net assets	\$ <u>50,729,701</u>	<u>50,782,422</u>

See accompanying notes to consolidated financial statements.

MAKE-A-WISH FOUNDATION® OF AMERICA

Consolidated Statement of Activities

Year ended August 31, 2012

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues, gains, and other support:				
Public support:				
Contributions	\$ 67,397,870	2,676,183	1,875,317	71,949,370
Grants	132,095	—	—	132,095
Total public support	<u>67,529,965</u>	<u>2,676,183</u>	<u>1,875,317</u>	<u>72,081,465</u>
Special events	102,333	—	—	102,333
Less direct benefit costs to donor	<u>(18,567)</u>	<u>—</u>	<u>—</u>	<u>(18,567)</u>
Total special events	83,766	—	—	83,766
Investment income, net	1,298,663	303,405	—	1,602,068
Chapter assessments	5,598,341	—	—	5,598,341
Other income	682,619	—	—	682,619
Net assets released from restrictions	<u>1,560,521</u>	<u>(1,560,521)</u>	<u>—</u>	<u>—</u>
Total revenues, gains, and other support	<u>76,753,875</u>	<u>1,419,067</u>	<u>1,875,317</u>	<u>80,048,259</u>
Expenses:				
Program services:				
Wish granting	763,261	—	—	763,261
Program-related support	50,169,411	—	—	50,169,411
Training and development	935,296	—	—	935,296
Public information	<u>12,415,804</u>	<u>—</u>	<u>—</u>	<u>12,415,804</u>
Total program services	<u>64,283,772</u>	<u>—</u>	<u>—</u>	<u>64,283,772</u>
Support services:				
Fundraising	8,607,862	—	—	8,607,862
Management and general	<u>6,383,866</u>	<u>—</u>	<u>—</u>	<u>6,383,866</u>
Total support services	<u>14,991,728</u>	<u>—</u>	<u>—</u>	<u>14,991,728</u>
Total program and support services expenses	79,275,500	—	—	79,275,500
Change in value of split-interest agreements	—	61,175	—	61,175
Total expenses and losses	<u>79,275,500</u>	<u>61,175</u>	<u>—</u>	<u>79,336,675</u>
Change in net assets	(2,521,625)	1,357,892	1,875,317	711,584
Net assets, beginning of the year	<u>30,063,574</u>	<u>5,458,233</u>	<u>6,407,404</u>	<u>41,929,211</u>
Net assets, end of the year	\$ <u>27,541,949</u>	<u>6,816,125</u>	<u>8,282,721</u>	<u>42,640,795</u>

See accompanying notes to consolidated financial statements.

MAKE-A-WISH FOUNDATION® OF AMERICA

Consolidated Statement of Activities

Year ended August 31, 2011

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues, gains, and other support:				
Public support:				
Contributions	\$ 90,108,232	3,155,895	2,382,073	95,646,200
Grants	95,652	6,000	—	101,652
Total public support	<u>90,203,884</u>	<u>3,161,895</u>	<u>2,382,073</u>	<u>95,747,852</u>
Special events	499,190	—	—	499,190
Less direct benefit costs to donor	(173,866)	—	—	(173,866)
Total special events	<u>325,324</u>	<u>—</u>	<u>—</u>	<u>325,324</u>
Investment income, net	1,773,888	260,556	—	2,034,444
Chapter assessments	4,893,704	—	—	4,893,704
Other income	606,254	—	—	606,254
Net assets released from restrictions	1,427,092	(1,427,092)	—	—
Total revenues, gains, and other support	<u>99,230,146</u>	<u>1,995,359</u>	<u>2,382,073</u>	<u>103,607,578</u>
Expenses:				
Program services:				
Wish granting	1,320,929	—	—	1,320,929
Program-related support	44,146,488	—	—	44,146,488
Training and development	1,232,271	—	—	1,232,271
Public information	36,897,108	—	—	36,897,108
Total program services	<u>83,596,796</u>	<u>—</u>	<u>—</u>	<u>83,596,796</u>
Support services:				
Fundraising	8,233,944	—	—	8,233,944
Management and general	6,259,374	—	—	6,259,374
Total support services	<u>14,493,318</u>	<u>—</u>	<u>—</u>	<u>14,493,318</u>
Total program and support services expenses	<u>98,090,114</u>	<u>—</u>	<u>—</u>	<u>98,090,114</u>
Change in value of split-interest agreements	—	2,954	—	2,954
Other losses	55,180	—	—	55,180
Total expenses and losses	<u>98,145,294</u>	<u>2,954</u>	<u>—</u>	<u>98,148,248</u>
Change in net assets	1,084,852	1,992,405	2,382,073	5,459,330
Net assets, beginning of the year, as restated	28,978,722	3,465,828	4,025,331	36,469,881
Net assets, end of the year	<u>\$ 30,063,574</u>	<u>5,458,233</u>	<u>6,407,404</u>	<u>41,929,211</u>

See accompanying notes to consolidated financial statements.

MAKE-A-WISH FOUNDATION® OF AMERICA

Consolidated Statements of Cash Flows

Years ended August 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Change in net assets	\$ 711,584	5,459,330
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	478,111	454,826
Bad debt expense	90,412	4,700
Contributions restricted for long-term investment	(1,875,317)	(1,848,517)
Contribution of property and equipment	—	55,180
Net realized and unrealized gains on investments	(1,083,350)	(1,501,828)
Change in value of split-interest agreements	(61,175)	2,954
Change in value of beneficial interest in trust	—	18,609
Change in discount to present value of contributions receivable	105,117	—
Changes in assets and liabilities:		
Contributions receivable	(1,236,643)	(2,382,698)
Due from related entities	276,239	(49,541)
Prepaid expenses	(182,624)	(71,912)
Other assets	(83,979)	3,159
Accounts payable and accrued expenses	307,296	132,926
Accrued pending wish costs	(280,711)	9,648
Due to related entities	(906,635)	2,376,422
Other liabilities	(20,567)	(200,025)
Net cash provided by (used in) operating activities	<u>(3,762,242)</u>	<u>2,463,233</u>
Cash flows from investing activities:		
Purchases of investments	(14,727,057)	(15,674,165)
Proceeds from sales of investments	12,292,979	12,859,811
Purchases of property and equipment	(1,138,886)	(378,504)
Proceeds from sale of property and equipment	—	116,638
Net cash used in investing activities	<u>(3,572,964)</u>	<u>(3,076,220)</u>
Cash flows from financing activities:		
Contributions restricted for long-term investment	1,875,317	1,848,517
Principal payments on capital lease obligations	—	(3,226)
Principal payments on notes payable	—	(101,449)
Net cash provided by financing activities	<u>1,875,317</u>	<u>1,743,842</u>
Net increase (decrease) in cash and cash equivalents	(5,459,889)	1,130,855
Cash and cash equivalents, beginning of year	<u>10,334,029</u>	<u>9,203,174</u>
Cash and cash equivalents, end of year	\$ <u>4,874,140</u>	<u>10,334,029</u>
Supplemental cash flow information:		
Cash paid for interest	\$ —	3,392
Contributed services	9,408,573	33,603,973
In-kind contributions	7,260,664	6,131,043

See accompanying notes to consolidated financial statements.

MAKE-A-WISH FOUNDATION® OF AMERICA

Consolidated Statement of Functional Expenses

Year ended August 31, 2012

	Program-services				Support services			Total	
	Wish granting	Program-related support	Training and development	Public information	Total program services	Fundraising	Management and general		Total support services
Direct costs of wishes	\$ 237,259	—	—	—	237,259	—	—	—	237,259
Distributions to related entities	—	40,116,884	—	—	40,116,884	—	—	—	40,116,884
Salaries, taxes, and benefits	321,058	3,266,426	227,473	676,975	4,491,932	2,767,800	3,735,158	6,502,958	10,994,890
Printing, subscriptions, and publications	6,022	17,563	7,806	1,267,746	1,299,137	2,025,775	528,149	2,553,924	3,853,061
Professional fees	80,690	2,147,115	49,790	367,220	2,644,815	1,370,709	783,198	2,153,907	4,798,722
Rent and utilities	24,834	125,492	8,662	25,955	184,943	122,537	147,366	269,903	454,846
Postage and delivery	5,700	10,769	257	787,658	804,384	1,163,212	287,423	1,450,635	2,255,019
Travel	49,397	289,956	85,209	22,519	447,081	252,731	219,432	472,163	919,244
Meetings and conferences	1,952	73,779	524,203	828	600,762	80,985	193,623	274,608	875,370
Office supplies	5,432	41,495	3,501	7,812	58,240	40,347	95,595	135,942	194,182
Communications	7,226	32,734	7,618	7,266	54,844	28,109	41,906	70,015	124,859
Advertising and media (cash)	1,675	—	146	32,053	33,874	187,282	2,544	189,826	223,700
Advertising and media (in-kind)	—	—	—	9,185,723	9,185,723	—	—	—	9,185,723
Repairs and maintenance	649	5,329	357	1,157	7,492	27,749	14,415	42,164	49,656
Insurance	2,037	440,627	1,358	4,074	448,096	27,127	67,670	94,797	542,893
Bad debt expense	—	—	—	—	—	90,000	412	90,412	90,412
Membership dues	220	267,573	360	—	268,153	74,108	4,929	79,037	347,190
Grants and scholarships	—	3,193,479	—	—	3,193,479	—	—	—	3,193,479
Miscellaneous	4,592	4,530	9,200	750	19,072	222,853	98,075	320,928	340,000
Depreciation and amortization	14,518	135,660	9,356	28,068	187,602	126,538	163,971	290,509	478,111
	<u>\$ 763,261</u>	<u>50,169,411</u>	<u>935,296</u>	<u>12,415,804</u>	<u>64,283,772</u>	<u>8,607,862</u>	<u>6,383,866</u>	<u>14,991,728</u>	<u>79,275,500</u>

See accompanying notes to consolidated financial statements.

MAKE-A-WISH FOUNDATION® OF AMERICA

Consolidated Statement of Functional Expenses

Year ended August 31, 2011

	Program-services				Support services			Total	
	Wish granting	Program-related support	Training and development	Public information	Total program services	Fundraising	Management and general		Total support services
Direct costs of wishes	\$ 708,031	—	—	—	708,031	—	—	—	708,031
Distributions to related entities	—	36,145,484	—	—	36,145,484	—	—	—	36,145,484
Salaries, taxes, and benefits	436,600	2,984,030	512,104	662,912	4,595,646	2,381,149	3,515,098	5,896,247	10,491,893
Printing, subscriptions, and publications	731	26,274	22,263	1,450,358	1,499,626	2,119,247	582,337	2,701,584	4,201,210
Professional fees	19,625	2,062,960	32,980	592,336	2,707,901	1,264,473	837,128	2,101,601	4,809,502
Rent and utilities	31,603	111,935	20,140	20,140	183,818	105,206	143,855	249,061	432,879
Postage and delivery	6,384	9,254	6,820	986,272	1,008,730	1,421,425	348,820	1,770,245	2,778,975
Travel	28,610	259,946	62,377	20,165	371,098	268,928	165,895	434,823	805,921
Meetings and conferences	24,154	55,070	519,613	4,335	603,172	118,604	127,486	246,090	849,262
Office supplies	11,877	40,683	6,881	7,356	66,797	38,420	126,400	164,820	231,617
Communications	11,339	29,351	8,235	4,414	53,339	32,491	39,002	71,493	124,832
Advertising and media (cash)	975	—	2,695	29,185	32,855	87,007	441	87,448	120,303
Advertising and media (in-kind)	—	—	—	33,093,379	33,093,379	—	—	—	33,093,379
Repairs and maintenance	11,820	11,930	1,018	1,365	26,133	16,392	17,596	33,988	60,121
Insurance	1,446	398,371	1,807	1,807	403,431	22,081	60,466	82,547	485,978
Bad debt expense	—	—	—	—	—	—	4,700	4,700	4,700
Membership dues	—	201,496	—	—	201,496	63,120	5,599	68,719	270,215
Grants and scholarships	976	1,676,955	—	296	1,678,227	—	—	—	1,678,227
Volunteer training	137	—	—	—	137	—	—	—	137
Miscellaneous	1,159	9,574	13,342	792	24,867	185,612	132,143	317,755	342,622
Depreciation and amortization	25,462	123,175	21,996	21,996	192,629	109,789	152,408	262,197	454,826
	<u>\$ 1,320,929</u>	<u>44,146,488</u>	<u>1,232,271</u>	<u>36,897,108</u>	<u>83,596,796</u>	<u>8,233,944</u>	<u>6,259,374</u>	<u>14,493,318</u>	<u>98,090,114</u>

See accompanying notes to consolidated financial statements.

MAKE-A-WISH FOUNDATION® OF AMERICA

Notes to Consolidated Financial Statements

August 31, 2012 and 2011

(1) Organization

Make-A-Wish Foundation® of America (the Foundation) is an Arizona nonprofit corporation, the mission of which is to grant the wishes of children with life-threatening medical conditions to enrich the human experience with hope, strength, and joy. The “Foundation’s Purpose” is to grant the wish of each child who has reached the age of 2½ and is under the age of 18 and who has a life threatening medical condition (i.e., a progressive, degenerative, or malignant medical condition) that has placed the child’s life in jeopardy. The Foundation charters local chapters throughout the United States, its territories and possessions (Chapters) and provides financial support, guidance, and other assistance to such Chapters in performing the Foundation’s Purpose. As of August 31, 2012 the Foundation has 62 active chartered Chapters.

Chapter Agreements entered into between each Chapter and the Foundation provide for common purposes and policy direction. The Chapter Agreement also provides the Foundation with a security interest in the assets of the Chapters. The Foundation has elected not to consolidate the Chapters’ financial results into the accompanying consolidated financial statements, based on Accounting Standards Codification (ASC) 958-810-25, *Consolidation*, except when the Foundation assumes control of a Chapter. As of and for the year ended August 31, 2011, the combined Chapters’ financial results (excluding the Foundation, the financial results of which are presented in the accompanying consolidated financial statements) were as follows (dollars in millions):

	<u>2012</u>	<u>2011</u>
Total assets	\$ 201	192
Total liabilities	64	60
Total net assets	137	132
Total revenues	158	191
Total expenses	153	191

As of August 31, 2012 and 2011, the Foundation had assumed control of two Chapters (Make-A-Wish Foundation® of Northern Nevada and Make-A-Wish Foundation® of The Texas Plains) and, therefore, included the assets, liabilities and operating results of those Chapters in the Foundation’s financials for the years then ended.

(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.

(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. Cash and cash equivalents at August 31, 2012 and 2011 include \$1,963,644 and \$1,917,476, respectively, of money market mutual funds.

MAKE-A-WISH FOUNDATION[®] OF AMERICA

Notes to Consolidated Financial Statements

August 31, 2012 and 2011

(c) ***Investments***

Investments are recorded at fair value. Investment income, including gains and losses on investments, is recorded as increases or decreases in unrestricted net assets unless its use is limited by donor-imposed restrictions or law. Certain investments are valued by using the net asset value (NAV) per share (or its equivalent), as a practical expedient permitted under Accounting Standards Update (ASU) No. 2009-12, *Investments In Certain Entities That Calculate Net Asset Value per Share (or its Equivalent)*.

Investments held for long-term purposes have been segregated due to donor-imposed restrictions that limit their use to long-term purposes.

(d) ***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. Pledges are discounted using fair value rates.

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

Property and equipment having a useful life of more than one year are stated at cost when purchased. Donated assets are capitalized at the estimated fair value at the date of receipt and restrictions, if any, are released once the asset has been placed into service. Property and equipment under capital leases are stated at the present value of future minimum lease payments at the time of acquisition. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 40 years. Leasehold improvements are amortized over the shorter of the estimated useful life of the asset or the remaining terms of the leases. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its life are expensed as incurred.

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Foundation first compares undiscounted cash flows expected to be generated by that asset to its carrying value. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, an impairment of value is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including discounted cash flow models, quoted market values, and third-party independent appraisals, as considered necessary.

MAKE-A-WISH FOUNDATION® OF AMERICA

Notes to Consolidated Financial Statements

August 31, 2012 and 2011

(f) ***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, other than quoted prices included in Level 1 inputs, that are observable for the asset (or liability), either directly or indirectly. If the asset 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 at measurement date.

See note 3 to the consolidated financial statements for additional information.

The Foundation has adopted the provisions of Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*, 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. 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 follows the provisions of ASU 2009-12 to certain investments in funds that do not have readily determinable fair values. This guidance amends ASC Topic 820 and allows for the estimation of the fair value of investments for which the investment does not have a readily determinable fair value using net asset value per share or its equivalent. Net asset value, in many instances, may not equal fair values that would be calculated pursuant to ASC Topic 820.

(g) ***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 AMERICA

Notes to Consolidated Financial Statements

August 31, 2012 and 2011

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

(h) 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. Such in-kind contributions were reported as follows:

	2012	2011
Wish related	\$ 7,227,609	6,030,766
Professional services	222,850	538,867
Advertising and media	9,185,723	33,093,379
Internal special events	15,370	72,004
Investments	17,685	—
Total	\$ 16,669,237	39,735,016

An internal special event is an event organized by the chapter that generates income from fundraising functions designed to attract donors and involves large numbers of people for the purpose of raising awareness, additional funding, and cultivating future donors. Internal special event in-kind amounts are donated items recorded at fair market 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 \$16,636,182 and \$39,724,572 in 2012 and 2011, respectively.

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. Advertising and media are reported as contribution revenue when received and fund raising or public information 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.

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(i) ***Income Taxes***

The Foundation is a not-for-profit organization exempt from federal income and Arizona taxes under the provisions of Internal Revenue Code Section 501(c)(3) and Arizona Revised Statutes §43-1201(4). 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.

ASC Topic 740, *Income Taxes*, 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 derecognition, classification, interest and penalties, disclosure, and transition. The Foundation has adopted the provisions of ASC 740 for the year ended August 31, 2011. Management believes that no such uncertain tax position exists for the Foundation at August 31, 2012 and 2011.

(j) ***Functional Expenses***

The Foundation performs six functions: wish granting, program-related support, training and development, public information, fund raising, 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.

Program-Related Support

Activities performed by the Foundation that promote Chapter development, monitor and direct Chapters, assist Chapters in complying with policies and guidelines, provide support for day-to-day Chapter management decisions, develop wish resources, administer wish programs, handle wish referrals, and provide wish assistance for Chapters and wish placement.

Training and Development

Activities performed by the Foundation consisting of national conference workshops and e-learning 'best practices' classes prepared and conducted by the Foundation for the training, development, and implementation of the wish programs of the Foundation, including, but not limited to, the identification of wish candidates and the determination and delivery of the wish.

Public Information

Activities performed by the Foundation communicating the purpose and services of the Foundation to all potential sources of wish referrals.

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Fund Raising

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations. During the fiscal years ended August 31, 2012 and 2011, the Foundation incurred joint costs for activities that include fund raising appeals (primarily direct mail campaigns), which have been allocated as follows:

	<u>2012</u>	<u>2011</u>
Fund raising	\$ 3,123,623	3,610,923
Public information	2,226,361	2,595,748
Management and general	<u>758,001</u>	<u>843,160</u>
Total	<u>\$ 6,107,985</u>	<u>7,049,831</u>

Management and General

All costs not identifiable with a single program or fund raising 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 record-keeping, 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.

(k) *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, split-interest agreements, investments, valuation of contributions receivable, accrued 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.

(l) *Reclassifications*

Certain reclassifications have been made to the 2011 financial statement information to conform to the 2012 financial statement presentation. There was no impact on the previously reported change in net assets of the Foundation.

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(3) Fair Value Measurements

(a) 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 tables as of August 31, 2012 and 2011 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, available observable and unobservable inputs.

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).

Overall Investment Objective

The overall investment objective of the Foundation is to invest its assets in a prudent manner that will achieve a long-term rate of return sufficient to fund a portion of its annual operating activities and increase investment value after inflation. The Foundation diversifies its investments among various asset classes incorporating multiple strategies and managers. Major investment decisions are authorized by the Board's Audit and Finance committee, which oversees the Foundation's investment program in accordance with established guidelines.

Allocation of Investment Strategies

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

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investments held. Moreover, the fair values of the Foundation's interests in shares or units of these funds, because of liquidity and capital commitment terms that vary depending on the specific fund or partnership agreement, may differ from the fair value of the funds' underlying net assets.

(b) 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, 2012 and 2011:

Description	August 31, 2012	Fair value measurements at August 31, 2012 using			Redemption or liquidation	Days' notice
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)		
Cash and cash equivalents	\$ 4,874,140	4,874,140	—	—	Daily	None
Investments:						
Mutual funds:						
Domestic equity	\$ 2,666,121	2,666,121	—	—	Daily	None
International equity	3,412,677	3,412,677	—	—	Daily	None
Real estate	615,378	615,378	—	—	Daily	None
Equity securities:						
U.S. corporate equity securities	4,832,193	4,832,193	—	—	Daily	None
Debt securities:						
U.S. Treasury	3,710,559	3,710,559	—	—	Daily	None
U.S. agency	3,544,276	—	3,544,276	—	Daily	None
State treasury	497,243	—	497,243	—	Daily	None
Foreign governments	217,490	—	217,490	—	Daily	None
Corporate	3,824,162	—	3,824,162	—	Daily	None
Alternative investments:						
Common collective trust in futures	446,635	—	446,635	—	Daily	None
Common collective trust in commodities	262,504	—	262,504	—	Daily	None
Hedge funds	2,067,833	—	—	2,067,833	Quarterly	45 Days
Cash and cash equivalents	83,852	83,852	—	—	Daily	None
Total investments	\$ 26,180,923	15,320,780	8,792,310	2,067,833		

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Description	Fair value measurements at August 31, 2012 using				Redemption or liquidation	Days' notice
	August 31, 2012	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)		
Investments held for charitable gift annuities:						
Mutual funds:						
Domestic equity	\$ 261,241	261,241	—	—	Daily	None
International equity	98,762	98,762	—	—	Daily	None
Real estate	11,173	11,173	—	—	Daily	None
Bonds	66,323	66,323	—	—	Daily	None
Debt securities:						
U.S. Treasury	20,138	20,138	—	—	Daily	None
U.S. agency	—	—	—	—	Daily	None
Alternative investments:						
Common collective trust invested in equity mutual funds	13,619	—	13,619	—	Daily	None
Common collective trust invested in commodities	5,630	—	5,630	—	Daily	None
Cash and cash equivalents	<u>27,604</u>	<u>27,604</u>	<u>—</u>	<u>—</u>	Daily	None
Total investments held for charitable gift annuities	<u>\$ 504,490</u>	<u>485,241</u>	<u>19,249</u>	<u>—</u>		
Investments held for long-term purposes:						
Mutual funds:						
Domestic equity	\$ 2,904,012	2,904,012	—	—	Daily	None
International equity	1,266,884	1,266,884	—	—	Daily	None
Real estate	160,068	160,068	—	—	Daily	None
Bonds	2,248,737	2,248,737	—	—	Daily	None
U.S. government securities	471,640	471,640	—	—	Daily	None
Alternative investments:						
Common collective trust invested in equity mutual funds	256,633	—	256,633	—	Daily	None
Common collective trust invested in futures	112,623	—	112,623	—	Daily	None
Common collective trust invested in commodities	104,892	—	104,892	—	Daily	None
Hedge funds	364,053	—	—	364,053	Semiannually	60 days
Cash and cash equivalents	<u>545,844</u>	<u>545,844</u>	<u>—</u>	<u>—</u>	Daily	None
Total investments held for long-term purposes	<u>\$ 8,435,386</u>	<u>7,597,185</u>	<u>474,148</u>	<u>364,053</u>		

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Description	August 31, 2011	Fair value measurements at August 31, 2011 using			Redemption or liquidation	Days' notice
		Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)		
Cash and cash equivalents	\$ 10,334,029	10,334,029	—	—	Daily	None
Restricted cash						
Investments:						
Mutual funds:						
Domestic equity	\$ 2,502,255	2,502,255	—	—	Daily	None
International equity	3,004,651	3,004,651	—	—	Daily	None
Real estate	545,439	545,439	—	—	Daily	None
Equity securities:						
U.S. corporate equity securities	4,740,483	4,740,483	—	—	Daily	None
Debt securities:						
U.S. Treasury	3,785,729	3,785,729	—	—	Daily	None
U.S. agency	3,699,450	—	3,699,450	—	Daily	None
State treasury	409,752	—	409,752	—	Daily	None
Foreign governments	212,088	—	212,088	—	Daily	None
Corporate	3,417,594	—	3,417,594	—	Daily	None
Alternative investments:						
Common collective trust in futures	245,914	—	245,914	—	Daily	None
Common collective trust in commodities	262,884	—	262,884	—	Daily	None
Hedge funds	2,086,922	—	—	2,086,922	Quarterly	45 Days
Cash and cash equivalents	90,014	90,014	—	—	Daily	None
Total investments	\$ 25,003,175	14,668,571	8,247,682	2,086,922		

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Description	Fair value measurements at August 31, 2011 using				Redemption or liquidation	Days' notice
	August 31, 2011	Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)		
Investments held for charitable gift annuities:						
Mutual funds:						
Domestic equity	\$ 326,876	326,876	—	—	Daily	None
International equity	108,486	108,486	—	—	Daily	None
Real estate	19,219	19,219	—	—	Daily	None
Bonds	102,039	102,039	—	—	Daily	None
Debt securities:						
U.S. agency	35,245	—	35,245	—	Daily	None
Alternative investments:						
Common collective trust invested in commodities	11,103	—	11,103	—	Daily	None
Cash and cash equivalents	6,542	6,542	—	—	Daily	None
Total investments held for charitable gift annuities	<u>\$ 609,510</u>	<u>563,162</u>	<u>46,348</u>	<u>—</u>		
Investments held for long-term purposes:						
Mutual funds:						
Domestic equity	\$ 1,634,670	1,634,670	—	—	Daily	None
International equity	832,593	832,593	—	—	Daily	None
Real estate	80,305	80,305	—	—	Daily	None
Bonds	1,227,000	1,227,000	—	—	Daily	None
U.S. government securities	288,433	288,433	—	—	Daily	None
Alternative investments:						
Common collective trust invested in equity mutual funds	70,401	—	70,401	—	Daily	None
Common collective trust invested in futures	44,265	—	44,265	—	Daily	None
Common collective trust invested in commodities	48,426	—	48,426	—	Daily	None
Hedge funds	63,598	—	—	63,598	Semiannually	60 days
Cash and cash equivalents	1,639,820	1,639,820	—	—	Daily	None
Total investments held for long-term purposes	<u>\$ 5,929,511</u>	<u>5,702,821</u>	<u>163,092</u>	<u>63,598</u>		

For the valuation of investments, investments held for charitable gift annuities and investments held for long-term purposes at August 31, 2012 and 2011, the Foundation used significant other observable inputs, particularly dealer market prices for comparable investments as of the valuation date (Level 2).

For the valuation of investments and investments held for long-term purposes at August 31, 2012 and 2011, the Foundation used net asset value per share to determine fair value (Level 3).

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The Foundation's accounting policy is to recognize transfers between levels of the fair value hierarchy on the date of the event or change in circumstances that caused the transfer. There were no significant transfers into or out of Level 1, Level 2, or Level 3 for the years ended August 31, 2012 and 2011.

The following table presents a rollforward of activity for investments measured at fair value using significant unobservable inputs (Level 3) for the years ended August 31, 2012 and 2011:

	<u>2012</u> Fair value measurements using significant unobservable inputs (Level 3)
Beginning balance	\$ 2,150,520
Total gains or losses (realized/unrealized) included in changes in net assets	(28,990)
Purchases	310,356
Ending balance	\$ <u>2,431,886</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	
	\$ (28,990)
	<u>2011</u> Fair value measurements using significant unobservable inputs (Level 3)
Beginning balance	\$ 2,048,195
Total gains or losses (realized/unrealized) included in changes in net assets	102,325
Ending balance	\$ <u>2,150,520</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	
	\$ 102,325

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Total investment income, gains, and losses for the years ended August 31, 2012 and 2011 consist of the following:

	<u>2012</u>	<u>2011</u>
Interest and dividend income	\$ 658,850	670,148
Realized and unrealized gains (losses), net	1,083,350	1,501,828
Less investment expenses	<u>(140,132)</u>	<u>(137,532)</u>
Investment income, net	\$ <u>1,602,068</u>	<u>2,034,444</u>

Investment liquidity as of August 31, 2012 and 2011 is aggregated below based on redemption or sale period:

	<u>Investment Fair Values</u>	
	<u>2012</u>	<u>2011</u>
Investment redemption or sale period:		
Daily	\$ 32,688,913	29,391,676
Quarterly	2,067,833	2,086,922
Semiannually	<u>364,053</u>	<u>63,598</u>
Total	\$ <u>35,120,799</u>	<u>31,542,196</u>

(4) Contributions Receivable

Contributions receivable include pledges that have been discounted at rates ranging from 3.40% to 4.60% and from 3.40% to 4.60% in August 31, 2012 and 2011, respectively. The following is a summary of the Foundation's contributions receivable at August 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Total amounts due in:		
One year	\$ 6,200,748	4,403,414
Two to five years	837,904	1,539,007
More than five years	<u>570,000</u>	<u>430,000</u>
Gross contributions receivable	7,608,652	6,372,421
Less:		
Allowance for doubtful accounts	(90,000)	—
Discount to present value	<u>(325,857)</u>	<u>(220,741)</u>
Contributions receivable, net	\$ <u>7,192,795</u>	<u>6,151,680</u>

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(5) Split-Interest Agreements

Charitable Gift Annuities

Donors have contributed assets to the Foundation in exchange for a promise by the Foundation to pay a fixed amount for a specified period of time to the donor or to individuals designated by the donor. Under the terms of such agreements, no trust exists, as the assets received are held by and the liability is an obligation of the Foundation. The Foundation records contribution revenue using the fair value of the assets less the present value of the payments expected to be made to the beneficiaries. The present value of payments to beneficiaries under these arrangements is calculated using present value techniques. The discount rates used ranged from 1.20% to 6.20% and from 2.60% to 6.20% for the years ended August 31, 2012 and 2011, respectively. The charitable gift annuities account also includes assets from contributions and income totaling \$32,501 and \$33,122 at August 31, 2012 and 2011, respectively, for legally mandated reserves.

Liabilities to beneficiaries under charitable gift annuities totaled \$242,816 and \$281,966 at August 31, 2012 and 2011, respectively, and are included in other liabilities in the accompanying statements of financial position.

Liabilities to Chapters who are designated as remainder beneficiaries under charitable gift annuities totaled \$148,291 and \$212,853 at August 31, 2012 and 2011, respectively, and are included in due to related entities in the accompanying statements of financial position.

(6) Transactions with Related Entities

Chapters pay annual dues to the Foundation, which were \$5,598,341 and \$4,893,704 for the years ended August 31, 2012 and 2011, respectively. The Foundation supports the Chapters by providing funding and other support for the granting of wishes.

The Foundation conducts national fundraising efforts for which funds are received and, as determined by the Foundation, are shared with the Chapters. Funds raised as a result of these efforts are reported in the statement of activities as contributions to the unrestricted fund. Once the benefiting Chapter is identified, the corresponding funds are reflected as payable to Chapters, and reported as distributions to related entities in the statement of functional expenses. Under this program, the Foundation provided the Chapters with contributions which were \$30,995,687 and \$28,962,065 for the years ended August 31, 2012 and 2011, respectively.

As part of the Foundation's Wishes Forever Campaign, donors may designate Chapters to receive periodic distributions, if and when such distributions are approved by the Audit and Finance Committee of the Foundation. Distributions are limited to income earned on the underlying assets, which are held in perpetuity by the Foundation. Under this program, the Foundation provided the Chapters with contributions, which were \$130,764 and \$39,000 for the years ended August 31, 2012 and 2011, respectively.

The Foundation conducts national fundraising efforts for which in-kind donations are received and shared with the Chapters. Donations received as a result of these efforts are reported in the statement of activities as in-kind contributions to the unrestricted fund and reported as distributions to related entities, or expenses of the Foundation, in the statement of functional expenses. Under this program, the Foundation provided

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the Chapters with contributions, which were \$7,054,358 and \$5,736,625 for the years ended August 31, 2012 and 2011, respectively.

As part of the Foundation's Wish Fulfillment Fund (a designated fund), Chapters may apply for funds that have been donated by other Chapters or corporate sponsors to underwrite the cost of wishes. Under this program, the Foundation provided 27 and 16 Chapters with contributions, totaling \$2,066,839 and \$1,446,794, during the years ended August 31, 2012 and 2011, respectively, which are reported in the statement of activities as distributions to related entities.

As part of the Foundation's grant and scholarship programs, Chapters may apply for funds to supplement existing programs or to attend Foundation-sponsored events. Under these programs, the Foundation provided 44 and 43 Chapters with contributions, totaling \$3,193,479 and \$1,676,955, respectively, during the years ended August 31, 2012 and 2011, which are reported in the statement of activities as grants and scholarships.

As of August 31, 2012 and 2011, the Foundation has amounts due from related entities of \$695,034 and \$858,734, respectively, and amounts due to related entities of \$4,209,800 and \$4,980,123, respectively.

Amounts due from Related Entities represent annual chapter dues, Wish Fulfillment Fund contributions and unreimbursed costs for joint administrative activities that have not been paid to the Foundation as of year-end. Amounts due to Related Entities represent contributions remitted to the Foundation that are specified for Chapters' use but were not yet transferred to the Chapters as of year-end or interests in Charitable Gift Annuities or Endowments for which Chapters are the beneficiary. During 2012 and 2011, the Foundation received contributions, both cash and in-kind, from employees and board members totaling \$667,897 and \$83,844, respectively. In 2012 and 2011, amounts due from employees and board members totaled \$949,823 and \$502,593, respectively, and are included in contributions receivable in the accompanying statements of financial position.

(7) Property and Equipment, Net

Property and equipment as of August 31, 2012 and 2011 consist of the following:

	2012	2011
Land	\$ 17,736	17,736
Buildings and building improvements	178,682	168,767
Computer equipment and software	1,126,333	833,099
Web site and Web site templates	1,159,598	573,985
Office furniture	646,902	524,073
Office equipment	385,487	382,270
Leasehold improvements	715,451	591,373
	4,230,189	3,091,303
Less accumulated depreciation and amortization	(2,028,948)	(1,550,837)
Property and equipment, net	\$ 2,201,241	1,540,466

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Depreciation and amortization expense totaled \$478,111 and \$454,826 for the years ended August 31, 2012 and 2011, respectively.

(8) Accrued Pending Wish Costs

The Foundation accrues for the 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.

As of August 31, 2012 and 2011, the Foundation had approximately 18 and 50 reportable pending wishes, respectively.

(9) Credit Agreement

The Foundation has a sponsored corporate travel card account program (the Card Program) with a financial institution. In the event of default by the sponsored account holder, the Foundation has the primary and continuing obligation of payment. Under the terms of the Card Program, the Foundation is required to hold unencumbered liquid assets having an aggregate market value of 110% of the average monthly spend under the Card Program, which are not subject to any lien, pledge, security interest, or other arrangement with any creditor, to have its claim satisfied out of those assets prior to the general creditors of the Foundation. As of August 31, 2012 and 2011, there were sponsored accounts with a total credit limit of \$9,840,000 and \$8,623,000, respectively, issued under this credit agreement and \$1,961,000 and \$2,822,000, respectively, outstanding on this credit agreement.

(10) Notes Payable

On October 10, 2003, the Foundation entered into a mortgage payable with a financial institution totaling \$135,530, which was secured by real estate. During the year ended August 31, 2011, the Foundation sold the office building and land and a portion of the proceeds was used to pay off the mortgage.

(11) Leases

The Foundation is obligated under various operating leases for offices and equipment, which expire at various dates through October 31, 2019. Total rent expense for all operating leases, net of sublease payments, for the years ended August 31, 2012 and 2011 totaled \$711,498 and \$597,217, respectively. Total sublease receipts for the years ended August 31, 2012 and 2011 totaled \$70,616 and \$64,869, respectively.

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Future minimum lease payments under operating leases having remaining terms in excess of one year, net of future sublease payments totaling \$651,222, are as follows:

	Operating leases
Year ending August 31:	
2013	\$ 694,296
2014	724,572
2015	719,534
2016	734,422
2017	747,169
2018 – 2020	1,541,322
Total minimum lease payments	<u>\$ 5,161,315</u>

(12) Endowments

The Foundation adopted the provisions of ASC 58, Section 205-50, *Reporting Endowment Funds*. These provisions provide guidance on the net asset classification of donor-restricted endowment funds for a not-for-profit organization that is subject to an enacted version of the Uniform Prudent Management of Institutional Funds Act of 2006 (UPMIFA) and also require disclosures about endowment funds, both donor-restricted endowment funds and board-designated endowment funds. The state of Arizona enacted UPMIFA in 2008.

The Foundation's endowment consists of a general endowment fund and an endowment fund for the granting of children's wishes, which together total approximately 37 individual donor-imposed funds. Net assets associated with endowment funds, including funds designated by the board of directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

(a) *Interpretation of Relevant Law*

The board of directors of the Foundation has interpreted the Arizona's version of UPMIFA titled the 'Management of Charitable Funds Act' as requiring preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets: (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

1. The duration and preservation of the fund

MAKE-A-WISH FOUNDATION® OF AMERICA

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August 31, 2012 and 2011

2. The purposes of the Foundation and the donor-restricted endowment fund
3. General economic conditions
4. The possible effect of inflation and deflation
5. The expected total return from income and the appreciation of investments
6. Other resources of the Foundation
7. The investment policies of the Foundation

Endowment net asset composition by type of fund as of August 31, 2012 and 2011 is as follows:

	2012			
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (113)	544,213	8,282,721	8,826,821

	2011			
	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Donor-restricted endowment funds	\$ (33,782)	332,590	6,407,404	6,706,212

MAKE-A-WISH FOUNDATION® OF AMERICA

Notes to Consolidated Financial Statements

August 31, 2012 and 2011

Changes in endowment net assets for the years ended August 31, 2012 and 2011 are as follows:

	2012			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, beginning of year	\$ (33,782)	332,590	6,407,404	6,706,212
Investment return:				
Investment income	19,350	72,255	—	91,605
Net appreciation (realized and unrealized)	14,319	231,150	—	245,469
Total investment return	33,669	303,405	—	337,074
Contributions	—	—	1,875,317	1,875,317
Appropriation of endowment assets for expenditure	—	(91,782)	—	(91,782)
Endowment net assets, end of year	\$ <u>(113)</u>	<u>544,213</u>	<u>8,282,721</u>	<u>8,826,821</u>
	2011			
	Unrestricted	Temporarily restricted	Permanently restricted	Total
Endowment net assets, beginning of year	\$ (20,302)	104,034	4,025,331	4,109,063
Investment return:				
Investment income	18,442	34,609	—	53,051
Net appreciation (realized and unrealized)	(24,922)	225,947	—	201,025
Total investment return	(6,480)	260,556	—	254,076
Contributions	—	—	2,382,073	2,382,073
Appropriation of endowment assets for expenditure	(7,000)	(32,000)	—	(39,000)
Endowment net assets, end of year	\$ <u>(33,782)</u>	<u>332,590</u>	<u>6,407,404</u>	<u>6,706,212</u>

MAKE-A-WISH FOUNDATION® OF AMERICA

Notes to Consolidated Financial Statements

August 31, 2012 and 2011

Description of amounts classified as permanently restricted net assets and temporarily restricted net assets (endowment only):

	<u>2012</u>	<u>2011</u>
Permanently restricted net assets:		
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or by UPMIFA	\$ 8,282,721	6,407,404
Temporarily restricted net assets:		
The portion of perpetual endowment funds subject to a time restriction under UPMIFA:		
Without purpose restrictions	\$ 544,213	332,590
Total endowment funds classified as temporarily restricted net assets	\$ <u>544,213</u>	<u>332,590</u>

(b) Fund Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level that the donor or UPMIFA requires the Foundation to retain as a fund of perpetual duration. Deficiencies of this nature that are reported in unrestricted net assets were \$113 and \$33,782 as of August 31, 2012 and 2011, respectively. These deficiencies resulted from unfavorable market fluctuations that occurred shortly after the investment of new permanently restricted contributions and continued appropriation for certain programs that was deemed prudent by the board of directors.

(c) Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified purpose. Under this policy, as approved by the board of directors, the endowment assets are invested in a manner that is intended to produce results that exceed the price and yield results of the S&P 500 index while assuming a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide an average rate of return of approximately 8% annually. Actual returns in any given year may vary from this amount.

(d) Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends). The Foundation targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term return objectives within prudent constraints.

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(e) Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a policy of appropriating for distribution each year between 3% and 5% of its endowment fund's average fair value over the prior three years through the calendar year-end preceding the fiscal year in which the distribution is planned. However, if the market value of 'Named' and 'Legacy' funds, as defined in the Endowment Policy are less than the Fund's threshold level, the distribution will be less than the Targeted Distribution, as defined in the Endowment Policy. If the market value of 'Named' and 'Legacy' endowment funds are less than the Fund's corpus but more than the threshold level, the distribution will be limited to the lower of its Targeted Distribution or Realized Increase, as defined in the Endowment Policy. The Endowment Policy also entitles the Foundation to receive, from each Fund, a reasonable percentage, not to exceed 3% of the Fund's market value, for administering the Fund. In establishing this policy, the Foundation considered the long-term expected return on its endowment. Accordingly, over the long term, the Foundation expects the current spending policy to allow its endowment to grow at an average of 2% annually. This is consistent with the Foundation's objective to maintain the purchasing power of the endowment assets held in perpetuity or for a specified term, as well as to provide additional real growth through new gifts and investment return.

(13) Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes for the years ended August 31, 2012 and 2011:

	<u>2012</u>	<u>2011</u>
Purpose restrictions	\$ 363,383	114,691
Time restrictions	<u>6,452,742</u>	<u>5,343,542</u>
Total temporarily restricted net assets	<u>\$ 6,816,125</u>	<u>5,458,233</u>

For the years ended August 31, 2012 and 2011, permanently restricted net assets are restricted to the following:

	<u>2012</u>	<u>2011</u>
Investments in perpetuity, the income from which is expendable to support any activities of the Foundation	\$ 8,282,721	6,407,404
	<u>\$ 8,282,721</u>	<u>6,407,404</u>

(14) Retirement Plan

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan if they have reached 21 years of age and are employed upon the applicable entry date. 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 100% of employee contributions up to 3% of the employee's salary and 50% of employee contributions over 3% up to a maximum of 5%. Foundation

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contributions to the Plan for the years ended August 31, 2012 and 2011 were \$279,794 and \$264,346, respectively.

(15) 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 Federal Deposit Insurance Corporation (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.

Contributions totaling \$9,987,593 and \$9,580,430 were received from a single donor for the years ended August 31, 2012 and 2011, respectively, which represents 18.2% and 17.6%, respectively, of contributions, exclusive of in-kind contributions. Should these contribution levels decrease, the Foundation may be adversely affected.

(16) Litigation and Claims

The Foundation is involved in litigation and claims arising in the ordinary course of business. In the opinion of management, based on consultation with legal counsel, possible losses, if any, are immaterial to the Foundation's financial position, change in net assets, or liquidity; consequently, no provision has been made in the accompanying financial statements for losses, if any, which might result from the ultimate outcome of such matters.

(17) Commitments

On September 29, 2009, the Foundation entered into a Memorandum of Understanding with the Make-A-Wish Foundation[®] of Massachusetts (MA Chapter), pursuant to which: (1) the MA Chapter agreed to assume responsibility for fulfilling the Foundation's Purpose in the state of Rhode Island, effective October 15, 2009, and (2) the Foundation agreed to reimburse the MA Chapter in whole or in part for the negative difference, if any, between revenues generated and expenses attributable to operations in Rhode Island in the first three years following the effective date. The maximum possible reimbursement over the three year period was \$500,000. Reimbursements of \$50,000 and \$116,000 were provided to the MA Chapter in the periods ended August 31, 2012 and 2011.

(18) Subsequent Events

The Foundation has evaluated subsequent events from the statement of financial position date through January 18, 2013, the date at which the financial statements were available to be issued.

In August 2012, the Board of Directors of the Make-A-Wish Foundation[®] of Georgia and Alabama adopted a resolution requesting that the Foundation relieve them of responsibility for fulfilling the Make-A-Wish mission within the state of Alabama as of September 1, 2012. In accordance with that request, the Chapter Performance Committee of the Foundation approved the territory reassignment and the request to change its name from Make-A-Wish Foundation[®] of Georgia and Alabama to Make-A-Wish Foundation[®] of Georgia effective September 1, 2012.

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Along with the transfer of territory, Make-A-Wish Foundation® of America will assume responsibility for the related accrued pending wish costs as of September 1, 2012. No consideration was transferred in the acquisition and there were no contingencies in the acquisition. The following is the estimated fair value of the associated assets and liabilities transferred to Make-A-Wish Foundation® of America as of August 31, 2012:

	Unaudited estimate, 2012
Assets:	
Contribution receivable	\$ 8,250
Other assets	1,300
Total assets	<u>9,550</u>
Liabilities:	
Accrued pending wish costs	<u>809,970</u>
Total liabilities	<u>809,970</u>
Excess of liabilities over assets transferred	<u>\$ (800,420)</u>

Pursuant to the Chapter Agreement with the Foundation, the Make-A-Wish Foundation of Northern Nevada was placed on voluntary Inactive Status in February 2009 and has been operating under the control of a caretaker board of directors comprised primarily of Foundation representatives. In July 2012, Make-A-Wish Foundation of Sacramento and Northeastern California (the "Sacramento Chapter") requested that the territory comprised of 13 counties in Nevada then assigned to the Foundation be reassigned to the Sacramento Chapter effective September 1, 2012, and that it be permitted to change its name to "Make-A-Wish Foundation of Northeastern California and Northern Nevada" at that time. The Foundation's Chapter Performance Committee approved the territory reassignment and requested name change effective September 1, 2012.

In conjunction with the territory reassignment, the Sacramento Chapter assumed responsibility for the related accrued pending wish costs as of September 1, 2012. The remaining assets of the Foundation have or will be transferred to the Sacramento Chapter after all Foundation debts and liabilities have been settled or paid. No consideration was transferred and there were no contingencies in connection with the territory reassignment or other activities described herein.

Supplemental Schedule 1

MAKE-A-WISH FOUNDATION® OF AMERICA

Statements of Financial Position – National Office Only

August 31, 2012 and 2011

Assets	2012	2011
Cash and cash equivalents	\$ 4,294,887	9,624,139
Investments	26,152,187	24,978,785
Due from related entities	699,565	827,551
Prepaid expenses	525,043	345,784
Contributions receivable, net	7,139,470	6,042,340
Other assets	102,027	5,000
Split-interest agreements	504,490	609,510
Investments held for long-term purposes	8,435,386	5,929,511
Property and equipment, net	2,049,595	1,389,148
Total assets	<u>\$ 49,902,650</u>	<u>49,751,768</u>
Liabilities and Net Assets		
Accounts payable and accrued expenses	\$ 2,332,349	2,020,654
Due to related entities	4,188,406	4,863,508
Other liabilities	1,387,710	1,408,277
Total liabilities	<u>7,908,465</u>	<u>8,292,439</u>
Commitments and contingencies		
Net assets:		
Unrestricted	26,898,664	29,722,920
Temporarily restricted	6,812,800	5,329,005
Permanently restricted	8,282,721	6,407,404
Total net assets	<u>41,994,185</u>	<u>41,459,329</u>
Total liabilities and net assets	<u>\$ 49,902,650</u>	<u>49,751,768</u>

See accompanying independent auditors' report.

MAKE-A-WISH FOUNDATION® OF AMERICA

Statement of Activities – National Office Only

Year ended August 31, 2012

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues, gains, and other support:				
Public support:				
Contributions	\$ 67,003,309	2,672,858	1,875,317	71,551,484
Grants	109,095	—	—	109,095
Total public support	<u>67,112,404</u>	<u>2,672,858</u>	<u>1,875,317</u>	<u>71,660,579</u>
Special events	36,275			36,275
Total special events	36,275	—	—	36,275
Investment income (loss), net	1,292,033	303,405	—	1,595,438
Chapter assessments	5,598,341	—	—	5,598,341
Other income	682,198	—	—	682,198
Net assets released from restrictions	1,431,293	(1,431,293)	—	—
Total revenues, gains, and other support	<u>76,152,544</u>	<u>1,544,970</u>	<u>1,875,317</u>	<u>79,572,831</u>
Expenses:				
Program services:				
Wish granting	417,445	—	—	417,445
Program-related support	50,332,407	—	—	50,332,407
Training and development	935,296	—	—	935,296
Public information	12,415,804	—	—	12,415,804
Total program services	<u>64,100,952</u>	<u>—</u>	<u>—</u>	<u>64,100,952</u>
Support services:				
Fund raising	8,551,142	—	—	8,551,142
Management and general	6,324,706	—	—	6,324,706
Total support services	<u>14,875,848</u>	<u>—</u>	<u>—</u>	<u>14,875,848</u>
Total program and support services expenses	<u>78,976,800</u>	<u>—</u>	<u>—</u>	<u>78,976,800</u>
Change in value of split-interest agreements	—	61,175	—	61,175
Total expenses and losses	<u>78,976,800</u>	<u>61,175</u>	<u>—</u>	<u>79,037,975</u>
Change in net assets	(2,824,256)	1,483,795	1,875,317	534,856
Net assets, beginning of the year	29,722,920	5,329,005	6,407,404	41,459,329
Net assets, end of the year	<u>\$ 26,898,664</u>	<u>6,812,800</u>	<u>8,282,721</u>	<u>41,994,185</u>

See accompanying independent auditors' report.

MAKE-A-WISH FOUNDATION® OF AMERICA

Statement of Activities – National Office Only

Year ended August 31, 2011

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues, gains, and other support:				
Public support:				
Contributions	\$ 89,706,429	3,046,082	2,382,073	95,134,584
Grants	86,910	—	—	86,910
Total public support	<u>89,793,339</u>	<u>3,046,082</u>	<u>2,382,073</u>	<u>95,221,494</u>
Special events	18,107	—	—	18,107
Total special events	<u>18,107</u>	<u>—</u>	<u>—</u>	<u>18,107</u>
Investment income (loss), net	1,765,713	260,556	—	2,026,269
Chapter assessments	4,911,522	—	—	4,911,522
Other income	603,305	—	—	603,305
Net assets released from restrictions	1,364,247	(1,364,247)	—	—
Total revenues, gains, and other support	<u>98,456,233</u>	<u>1,942,391</u>	<u>2,382,073</u>	<u>102,780,697</u>
Expenses:				
Program services:				
Wish granting	388,352	—	—	388,352
Program-related support	44,649,668	—	—	44,649,668
Training and development	1,232,271	—	—	1,232,271
Public information	36,897,107	—	—	36,897,107
Total program services	<u>83,167,398</u>	<u>—</u>	<u>—</u>	<u>83,167,398</u>
Support services:				
Fund raising	8,042,019	—	—	8,042,019
Management and general	6,130,383	—	—	6,130,383
Total support services	<u>14,172,402</u>	<u>—</u>	<u>—</u>	<u>14,172,402</u>
Total program and support services expenses	<u>97,339,800</u>	<u>—</u>	<u>—</u>	<u>97,339,800</u>
Change in value of split-interest agreements	—	2,954	—	2,954
Total expenses and losses	<u>97,339,800</u>	<u>2,954</u>	<u>—</u>	<u>97,342,754</u>
Change in net assets	1,116,433	1,939,437	2,382,073	5,437,943
Net assets, beginning of the year	28,606,487	3,389,568	4,025,331	36,021,386
Net assets, end of the year	<u>\$ 29,722,920</u>	<u>5,329,005</u>	<u>6,407,404</u>	<u>41,459,329</u>

See accompanying independent auditors' report.

Supplemental Schedule 4

MAKE-A-WISH FOUNDATION® OF AMERICA

Statements of Cash Flows – National Office Only

Years ended August 31, 2012 and 2011

	2012	2011
Cash flows from operating activities:		
Change in net assets	\$ 534,856	5,437,943
Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation and amortization	467,793	439,911
Bad debt expense	90,000	—
Contributions restricted for long-term investment	(1,875,317)	(1,848,517)
Net realized and unrealized gains on investments	(1,079,004)	(1,498,050)
Change in value of split-interest agreements	(61,175)	2,954
Change in discount to present value of contributions receivable	105,117	18,609
Changes in assets and liabilities:		
Contributions receivable	(1,292,247)	(2,349,530)
Due from related entities	254,213	(7,198)
Prepaid expenses	(179,259)	(72,850)
Other assets	(73,254)	—
Accounts payable and accrued expenses	311,695	137,554
Due to related entities	(825,102)	2,247,120
Other liabilities	(20,567)	(200,025)
Net cash provided by (used in) operating activities	(3,642,251)	2,307,921
Cash flows from investing activities:		
Purchases of investments	(14,727,057)	(15,674,165)
Proceeds from sales of investments	12,292,979	12,806,321
Purchases of property and equipment	(1,128,240)	(378,504)
Net cash used in investing activities	(3,562,318)	(3,246,348)
Cash flows from financing activity:		
Contributions restricted for long-term investment	1,875,317	1,848,517
Net cash provided by financing activity	1,875,317	1,848,517
Net increase (decrease) in cash and cash equivalents	(5,329,252)	910,090
Cash and cash equivalents, beginning of year	9,624,139	8,714,049
Cash and cash equivalents, end of year	\$ 4,294,887	9,624,139
Supplemental cash flow information:		
Contributed services	\$ 9,408,573	33,603,973
In-kind contributions	7,122,782	5,936,623

See accompanying independent auditors' report.

MAKE-A-WISH FOUNDATION® OF AMERICA

Statement of Functional Expenses – National Office Only

Year ended August 31, 2012

	Program services				Support services			Total	
	Wish granting	Program-related support	Training and development	Public information	Total program services	Fund raising	Management and general		Total support services
Distributions to related entities	\$ —	40,279,880	—	—	40,279,880	—	—	—	40,279,880
Salaries, taxes, and benefits	257,744	3,266,426	227,473	676,975	4,428,618	2,737,234	3,705,647	6,442,881	10,871,499
Printing, subscriptions, and publications	934	17,563	7,806	1,267,746	1,294,049	2,021,738	527,160	2,548,898	3,842,947
Professional fees	66,654	2,147,115	49,790	367,220	2,630,779	1,363,962	772,653	2,136,615	4,767,394
Rent and utilities	12,981	125,492	8,662	25,955	173,090	116,815	144,393	261,208	434,298
Postage and delivery	3,231	10,769	257	787,658	801,915	1,162,185	286,758	1,448,943	2,250,858
Travel	46,875	289,956	85,209	22,519	444,559	251,443	218,987	470,430	914,989
Meetings and conferences	1,117	73,779	524,203	828	599,927	79,107	193,102	272,209	872,136
Office supplies	4,308	41,495	3,501	7,812	57,116	38,139	94,826	132,965	190,081
Communications	4,069	32,734	7,618	7,266	51,687	26,622	40,701	67,323	119,010
Advertising and media (cash)	1,675	—	146	32,053	33,874	187,282	2,544	189,826	223,700
Advertising and media (in-kind)	—	—	—	9,185,723	9,185,723	—	—	—	9,185,723
Repairs and maintenance	527	5,329	357	1,157	7,370	27,690	14,386	42,076	49,446
Insurance	2,037	440,627	1,358	4,074	448,096	27,127	67,670	94,797	542,893
Bad debt expense	—	—	—	—	—	90,000	—	90,000	90,000
Membership dues	100	267,573	360	—	268,033	74,050	4,900	78,950	346,983
Grants and scholarships	—	3,193,479	—	—	3,193,479	—	—	—	3,193,479
Miscellaneous	1,159	4,530	9,200	750	15,639	221,444	96,608	318,052	333,691
Depreciation and amortization	14,034	135,660	9,356	28,068	187,118	126,304	154,371	280,675	467,793
	\$ 417,445	50,332,407	935,296	12,415,804	64,100,952	8,551,142	6,324,706	14,875,848	78,976,800

See accompanying independent auditors' report.

MAKE-A-WISH FOUNDATION® OF AMERICA

Statement of Functional Expenses – National Office Only

Year ended August 31, 2011

	Program services				Support services			Total	
	Wish granting	Program-related support	Training and development	Public information	Total program services	Fund raising	Management and general		Total support services
Distributions to related entities	\$ —	36,424,318	—	—	36,424,318	—	—	—	36,424,318
Salaries, taxes, and benefits	279,664	2,984,030	512,104	662,912	4,438,710	2,286,286	3,446,175	5,732,461	10,171,171
Printing, subscriptions, and publications	201	26,274	22,263	1,450,358	1,499,096	2,108,662	581,310	2,689,972	4,189,068
Professional fees	14,585	2,062,960	32,980	592,336	2,702,861	1,253,766	816,293	2,070,059	4,772,920
Rent and utilities	15,991	111,935	20,140	20,140	168,206	96,673	138,280	234,953	403,159
Postage and delivery	4,574	9,254	6,820	986,272	1,006,920	1,420,109	346,680	1,766,789	2,773,709
Travel	20,236	259,946	62,377	20,165	362,724	263,914	164,518	428,432	791,156
Meetings and conferences	19,375	55,070	519,613	4,335	598,393	87,725	126,523	214,248	812,641
Office supplies	6,692	40,683	6,881	7,356	61,612	35,235	121,904	157,139	218,751
Communications	4,471	29,351	8,235	4,414	46,471	27,507	37,326	64,833	111,304
Advertising and media (cash)	975	—	2,695	29,185	32,855	87,007	441	87,448	120,303
Advertising and media (in-kind)	—	—	—	33,093,379	33,093,379	—	—	—	33,093,379
Repairs and maintenance	936	11,930	1,018	1,365	15,249	9,840	14,044	23,884	39,133
Insurance	1,446	398,371	1,807	1,807	403,431	16,281	59,930	76,211	479,642
Membership dues	—	201,496	—	—	201,496	60,810	5,108	65,918	267,414
Grants and scholarships	976	1,901,300	—	296	1,902,572	—	—	—	1,902,572
Miscellaneous	634	9,574	13,342	792	24,342	182,625	122,281	304,906	329,248
Depreciation and amortization	17,596	123,175	21,996	21,996	184,763	105,579	149,570	255,149	439,912
	\$ 388,352	44,649,667	1,232,271	36,897,108	83,167,398	8,042,019	6,130,383	14,172,402	97,339,800

See accompanying independent auditors' report.