

**MAKE-A-WISH FOUNDATION
INTERNATIONAL
Phoenix, Arizona**

**FINANCIAL STATEMENTS
December 31, 2010 and 2009**

TABLE OF CONTENTS

	PAGE
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position.....	2
Statements of Activities and Changes in Net Assets.....	3
Statements of Functional Expenses.....	5
Statements of Cash Flows.....	7
Notes to Financial Statements.....	8

Independent Auditor's Report

Board of Directors
Make-A-Wish Foundation International
Phoenix, Arizona

We have audited the accompanying statements of financial position of Make-A-Wish Foundation International as of December 31, 2010 and 2009, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the management of Make-A-Wish Foundation International. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Make-A-Wish Foundation International as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Clifton Gunderson LLP

Phoenix, Arizona
April 20, 2011

MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENTS OF FINANCIAL POSITION
December 31, 2010 and 2009

ASSETS

	<u>2010</u>	<u>2009</u>
ASSETS		
Cash and cash equivalents	\$ 703,509	\$ 850,589
Investments	1,161,485	767,178
Contributions receivable, net of allowance	377,767	198,477
Due from affiliates	134,212	169,699
Prepaid expenses	34,237	16,064
Equipment, net of accumulated depreciation	<u>24,783</u>	<u>33,213</u>
 TOTAL ASSETS	 <u>\$ 2,435,993</u>	 <u>\$ 2,035,220</u>

LIABILITIES AND NET ASSETS

LIABILITIES		
Accounts payable and accrued expenses	\$ 96,032	\$ 42,751
Due to affiliates	215,861	76,887
Deferred rent liability	<u>54,280</u>	<u>10,811</u>
Total liabilities	<u>366,173</u>	<u>130,449</u>
 NET ASSETS		
Unrestricted	1,417,009	1,483,355
Temporarily restricted	<u>652,811</u>	<u>421,416</u>
Total net assets	<u>2,069,820</u>	<u>1,904,771</u>
 TOTAL LIABILITIES AND NET ASSETS	 <u>\$ 2,435,993</u>	 <u>\$ 2,035,220</u>

The accompanying notes are an integral part of the financial statements.

MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
SUPPORT AND REVENUE			
Contributions and grants	\$ 2,694,702	\$ 713,475	\$ 3,408,177
Member dues	692,489	-	692,489
Conference income	23,960	-	23,960
Investment income	94,445	-	94,445
Net assets released from restriction	<u>482,080</u>	<u>(482,080)</u>	<u>-</u>
Total support and revenue	<u>3,987,676</u>	<u>231,395</u>	<u>4,219,071</u>
EXPENSES			
Program services	3,347,076	-	3,347,076
Supporting services:			
Management and general	402,825	-	402,825
Fundraising	<u>304,121</u>	<u>-</u>	<u>304,121</u>
Total expenses	<u>4,054,022</u>	<u>-</u>	<u>4,054,022</u>
CHANGES IN NET ASSETS	(66,346)	231,395	165,049
NET ASSETS, BEGINNING OF YEAR	<u>1,483,355</u>	<u>421,416</u>	<u>1,904,771</u>
NET ASSETS, END OF YEAR	<u>\$ 1,417,009</u>	<u>\$ 652,811</u>	<u>\$ 2,069,820</u>

The accompanying notes are an integral part of the financial statements.

MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
Year Ended December 31, 2009

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Totals</u>
SUPPORT AND REVENUE			
Contributions and grants	\$ 1,944,410	\$ 427,077	\$ 2,371,487
Member dues	632,852	-	632,852
Conference income	34,560	-	34,560
Investment income	166,297	-	166,297
Net assets released from restriction	<u>404,375</u>	<u>(404,375)</u>	<u>-</u>
Total support and revenue	<u>3,182,494</u>	<u>22,702</u>	<u>3,205,196</u>
EXPENSES			
Program services	2,682,290	-	2,682,290
Supporting services:			
Management and general	293,903	-	293,903
Fundraising	<u>175,379</u>	<u>-</u>	<u>175,379</u>
Total expenses	<u>3,151,572</u>	<u>-</u>	<u>3,151,572</u>
CHANGES IN NET ASSETS	30,922	22,702	53,624
NET ASSETS, BEGINNING OF YEAR	<u>1,452,433</u>	<u>398,714</u>	<u>1,851,147</u>
NET ASSETS, END OF YEAR	<u>\$ 1,483,355</u>	<u>\$ 421,416</u>	<u>\$ 1,904,771</u>

The accompanying notes are an integral part of the financial statements.

MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2010

	<u>Program Services</u>	<u>Supporting Services</u>		<u>Total</u>
		<u>Management and General</u>	<u>Fundraising</u>	
EXPENSES				
Salaries	\$ 568,842	\$ 226,764	\$ 116,655	\$ 912,261
Employee benefits and related payroll expenses	<u>109,198</u>	<u>46,601</u>	<u>24,118</u>	<u>179,917</u>
Total personnel costs	678,040	273,365	140,773	1,092,178
Dues and subscriptions	17,377	5,707	20,579	43,663
Insurance - general	4,600	1,304	961	6,865
Miscellaneous	7,513	2,130	1,570	11,213
Postage and delivery	1,960	523	4,525	7,008
Printing and duplication	1,498	425	7,332	9,255
Professional fees	105,881	66,156	80,971	253,008
Programs	1,634,942	-	-	1,634,942
Public awareness	590,040	-	-	590,040
Rent	45,738	12,970	9,557	68,265
Supplies	7,896	2,333	3,597	13,826
Telephone	16,300	7,454	7,165	30,919
Training	179,883	1,947	4,046	185,876
Travel	<u>48,348</u>	<u>26,509</u>	<u>21,570</u>	<u>96,427</u>
Total expenses before depreciation	3,340,016	400,823	302,646	4,043,485
Depreciation	<u>7,060</u>	<u>2,002</u>	<u>1,475</u>	<u>10,537</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 3,347,076</u>	<u>\$ 402,825</u>	<u>\$ 304,121</u>	<u>\$ 4,054,022</u>

The accompanying notes are an integral part of the financial statements.

MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended December 31, 2009

	<u>Supporting Services</u>			<u>Total</u>
	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	
EXPENSES				
Salaries	\$ 498,129	\$ 127,010	\$ 82,835	\$ 707,974
Employee benefits and related payroll expenses	<u>93,829</u>	<u>27,120</u>	<u>13,856</u>	<u>134,805</u>
Total personnel costs	591,958	154,130	96,691	842,779
Dues and subscriptions	18,429	6,465	7,739	32,633
Insurance - general	-	6,766	-	6,766
Miscellaneous	6,034	52	80	6,166
Postage and delivery	2,300	1,743	2,671	6,714
Printing and duplication	613	1,543	4,278	6,434
Professional fees	22,603	54,320	24,937	101,860
Programs	1,368,713	-	-	1,368,713
Public awareness	429,000	-	-	429,000
Rent	42,900	9,900	13,200	66,000
Supplies	11,959	2,649	6,013	20,621
Telephone	12,980	14,829	5,180	32,989
Training	116,211	541	199	116,951
Travel	<u>47,829</u>	<u>38,482</u>	<u>11,080</u>	<u>97,391</u>
Total expenses before depreciation	2,671,529	291,420	172,068	3,135,017
Depreciation	<u>10,761</u>	<u>2,483</u>	<u>3,311</u>	<u>16,555</u>
TOTAL FUNCTIONAL EXPENSES	<u>\$ 2,682,290</u>	<u>\$ 293,903</u>	<u>\$ 175,379</u>	<u>\$ 3,151,572</u>

The accompanying notes are an integral part of the financial statements.

MAKE-A-WISH FOUNDATION INTERNATIONAL
STATEMENTS OF CASH FLOWS
Years Ended December 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Changes in net assets	\$ 165,049	\$ 53,624
Adjustments to reconcile changes in net assets to net cash provided by (used in) operating activities:		
Changes in allowance for doubtful accounts	38,889	3,277
Changes in contributions receivable discount	(246)	(1,598)
Depreciation	10,537	16,555
Realized (gain) loss on investments	(8,291)	77,265
Unrealized gain on investments	(60,786)	(217,111)
Increase (decrease) in cash resulting from changes in:		
Contributions receivable	(217,933)	68,432
Due from affiliates	35,487	(113,479)
Prepaid expenses	(18,173)	7,320
Accounts payable and accrued expenses	53,281	26,421
Due to affiliates	138,974	(41,065)
Deferred rent liability	43,469	10,811
	<u>180,257</u>	<u>(109,548)</u>
Net cash provided by (used in) operating activities		
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of investments	(696,674)	(234,943)
Proceeds on sale of investments	371,444	212,324
Purchases of equipment	(2,107)	(32,014)
	<u>(327,337)</u>	<u>(54,633)</u>
Net cash used in investing activities		
NET DECREASE IN CASH AND CASH EQUIVALENTS	(147,080)	(164,181)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>850,589</u>	<u>1,014,770</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 703,509</u>	<u>\$ 850,589</u>

The accompanying notes are an integral part of the financial statements.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Make-A-Wish Foundation International (Foundation) is a not-for-profit organization with thirty-six chartered international affiliates. The Foundation is organized and operated exclusively for the charitable purpose of increasing the opportunity of children of the world with a life-threatening medical condition to realize their wishes.

Reporting Entity

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

Basis of Presentation

The Foundation prepares its financial statements in accordance with the American Institute of Certified Public Accountants, *Audit and Accounting Guide for Not-For-Profit Organizations* (Audit Guide). Under the Audit Guide, the Foundation is required to report information regarding the financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets as follows:

Unrestricted Net Assets

Unrestricted net assets are not subject to donor imposed stipulations and are those currently available at the discretion of the Board of Directors for use in the Foundation's operations, in accordance with its bylaws.

Temporarily Restricted Net Assets

Temporarily restricted net assets are those which are subject to donor-imposed stipulations that may or will be met by the actions of the Foundation and/or the passage of time.

Permanently Restricted Net Assets

Permanently restricted net assets are subject to donor imposed stipulations that they be maintained permanently by the Foundation. Generally, the donors of these assets permit the institution to use all or part of the income earned on related investments for general or specific purposes.

Use of Estimates in the Preparation of Financial Statements

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.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

The Foundation considers all highly liquid assets with a maturity of three months or less when purchased to be cash equivalents. Cash and cash equivalents may include cash on hand or held by financial institutions.

Contributions Receivable

Unconditional promises to give (contributions receivable) are recognized as revenues in the period the promise is received and as assets, decreases of liabilities or expenses depending on the form of the benefits received. Conditional promises to give are recognized when the conditions on which they depend are substantially met. Unconditional promises to give that are to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using interest rates at the time of the unconditional promise to give. Amortization of the discount is included in contribution support. Management provides for probable uncollectible amounts through a charge to operations and an increase to a valuation allowance based on its assessment of the current status of individual receivables. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a reduction of the receivables.

Investments

Investments are recorded at fair value. Investment income includes interest, dividends, and if applicable, realized and unrealized gains and losses.

Equipment and Related Depreciation

Purchased equipment is initially recorded at cost and donated property and equipment are recorded at the fair value at the date of gift to the Foundation. Maintenance and repairs are charged to operations when incurred. Betterments and renewals in excess of \$500 are capitalized. When property and equipment is sold or otherwise disposed of, the asset account and related accumulated depreciation account are relieved and any gain or loss is included in operations. Depreciation of property and equipment is computed on a straight-line basis over the estimated useful lives, generally three to seven years.

Impairment of Long-Lived Assets

The Foundation reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell. Management does not believe impairment indicators are present at December 31, 2010 and 2009.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished or a donor removes a restriction), temporarily or permanently restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities and changes in net assets as net assets released from restriction. Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues in unrestricted net assets.

Donated Assets and Services

Donated marketable securities, equipment, and other non-cash donations are recorded as contributions at their estimated fair values at the date of donation, if an objective basis is available to measure the value of such items. The Foundation pays for most services requiring specific expertise. However, if such services or assets are donated and the value is ascertainable, the fair value is reflected in the financial statements as revenue and expense. The Foundation recorded \$1,678,416 and \$1,464,951 of in-kind contributions for airline flights, hotel accommodations and other professional services during the years ended December 31, 2010 and 2009, respectively.

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

Agent on Behalf of Affiliated Organizations

In certain cases, the Foundation may act as an agent for an affiliated organization. These agency transactions are treated as pass through funds and are carried as funds held as agent for affiliates until they are distributed.

Advertising

Advertising costs are expensed as incurred.

Functional Allocation of Expenses

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

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is a not-for-profit charitable organization which qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, accordingly, no provision for federal or state corporate income taxes has been made in the accompanying financial statements. The Foundation qualifies for the charitable contribution deduction under Section 170 of the Internal Revenue Code and has been classified as an organization that is not a private foundation under Section 509(a).

The federal and state corporate tax returns of the Foundation for 2008, 2009 and 2010 are subject to examination by the Internal Revenue Service and state taxing authorities, generally for three years after they were filed.

Recently Adopted Accounting Principle

Effective January 1, 2008, the Foundation adopted the "Fair Value Measurements" accounting standard which provides a comprehensive framework for measuring fair value and expands disclosures which are required about fair value measurements. In April 2009, the FASB amended the requirements to provide additional guidance on disclosure requirements related to major categories of debt and equity securities. In September 2009, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update 2009-12, *Fair Value Measurements and Disclosures – Investment in Certain Estimates that Calculate Net Asset Value Per Share (or Its Equivalent)* (ASU 2009-12). The update provides guidance on estimating the fair value when an investment in an investment company does not have a readily determinable fair value; ASU 2009-12 permits the use of the investment's net asset value as a practical expedient to determine fair value. ASU 2009-12 also requires additional disclosures regarding the investments. The adoption did not have a material impact on the Foundation's financial statements and all applicable disclosures are included in these financial statements.

New Accounting Pronouncement

In January 2010, the FASB issued Accounting Standards Update 2010-06, *Fair Value Measurements and Disclosures – Improving Disclosures about Fair Value Measurements*. This guidance requires: (i) separate disclosure of significant transfers between Level 1 and Level 2 and reasons for the transfers; (ii) disclosure, on a gross basis, of purchases, sales, issuances, and net settlements within Level 3; (iii) disclosures by class of assets and liabilities, and (iv) a description of the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements. This guidance is effective for interim and annual reporting periods beginning after December 15, 2009, except for the Level 3 disclosure requirements, which will be effective for fiscal years beginning after December 15, 2010 and interim periods within those fiscal years with early adoption permitted. Management of the Foundation does not believe the adoption of this guidance will impact the financial statement amounts; however, additional disclosures may be required.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 2 – INVESTMENTS

A summary of investments at December 31, 2010 and 2009, follows:

	<u>2010</u>		<u>2009</u>	
	<u>Cost</u>	<u>Market</u>	<u>Cost</u>	<u>Market</u>
Equities	\$ 423,858	\$ 469,109	\$ 416,457	\$ 413,106
Bonds	376,766	383,873	352,343	347,266
Money market	8,503	8,503	6,806	6,806
Certificate of deposits	<u>300,000</u>	<u>300,000</u>	<u>-</u>	<u>-</u>
Total	<u>\$1,109,127</u>	<u>\$1,161,485</u>	<u>\$ 775,606</u>	<u>\$ 767,178</u>

Investment income, gains, and losses presented on the statements of activities and changes in net assets are comprised of the following components:

	<u>2010</u>	<u>2009</u>
Realized gain (loss)	\$ 8,291	\$ (77,265)
Unrealized gain	60,786	217,111
Interest and dividend income	<u>25,368</u>	<u>26,451</u>
Total	<u>\$ 94,445</u>	<u>\$ 166,297</u>

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS

Financial Accounting Standards Board (FASB) *Accounting Standards Codification (ASC) 820, Fair Value Measurements and Disclosures*, provides the framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Investments

The Foundation's investments are held in funds with Fidelity. The fair value on these investments held by the Foundation is readily available and is based upon unadjusted quoted market prices. Equity securities listed on a national market or exchange are valued at the last sales price, or if there is no sale and the market is still considered active at the last transaction price before year-end. Such securities are classified within Level 1 of the valuation hierarchy.

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

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2010 and 2009:

	2010 Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equities:				
U.S. large cap	\$ 309,783	\$ -	\$ -	\$ 309,783
U.S. mid cap/small cap	37,318	-	-	37,318
Non U.S. equity	<u>122,008</u>	<u>-</u>	<u>-</u>	<u>122,008</u>
Total equities	<u>469,109</u>	<u>-</u>	<u>-</u>	<u>469,109</u>
Bonds:				
U.S. corporate bonds	367,340	-	-	367,340
Non U.S. corporate bonds	<u>16,533</u>	<u>-</u>	<u>-</u>	<u>16,533</u>
Total bonds	<u>383,873</u>	<u>-</u>	<u>-</u>	<u>383,873</u>
Total assets at fair value	<u>\$ 852,982</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 852,982</u>

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 3 – FAIR VALUE OF FINANCIAL INSTRUMENTS (CONTINUED)

	2009 Fair Value Measurements Using			
	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Equities:				
U.S. large cap	\$ 259,246	\$ -	\$ -	\$ 259,246
U.S. mid cap/small cap	53,658	-	-	53,658
Non U.S. equity	<u>100,202</u>	<u>-</u>	<u>-</u>	<u>100,202</u>
Total equities	<u>413,106</u>	<u>-</u>	<u>-</u>	<u>413,106</u>
Bonds				
U.S. corporate bonds	332,594	-	-	332,594
Non U.S. corporate bonds	<u>14,672</u>	<u>-</u>	<u>-</u>	<u>14,672</u>
Total bonds	<u>347,266</u>	<u>-</u>	<u>-</u>	<u>347,266</u>
Total assets at fair value	<u>\$ 760,372</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 760,372</u>

NOTE 4 – CONTRIBUTIONS RECEIVABLE

A summary of contributions receivable at December 31, 2010 and 2009, follows:

	<u>2010</u>	<u>2009</u>
Contributions receivable	\$ 460,036	\$ 242,103
Less allowance for uncollectible contributions	(81,160)	(42,271)
Less unamortized discount	<u>(1,109)</u>	<u>(1,355)</u>
Net contributions receivable	<u>\$ 377,767</u>	<u>\$ 198,477</u>
Amount due in:		
Less than one year	\$ 423,836	\$ 201,469
Due in three years	<u>36,200</u>	<u>40,634</u>
Total	<u>\$ 460,036</u>	<u>\$ 242,103</u>

The discount rate used to determine the present value of the contributions receivable balance is an interest rate appropriate for the expected repayment term. The discount rate used was 3% for 2010 and 2009.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 5 – EQUIPMENT

A summary of equipment at December 31, 2010 and 2009, follows:

	<u>2010</u>	<u>2009</u>
Office furniture and equipment	\$ 57,843	\$ 55,736
Less accumulated depreciation	<u>(33,060)</u>	<u>(22,523)</u>
Net equipment	<u>\$ 24,783</u>	<u>\$ 33,213</u>

Depreciation expense was \$10,537 and \$16,555 for the years ended December 31, 2010 and 2009, respectively.

NOTE 6 – RELATED PARTY TRANSACTIONS

The Foundation receives membership dues from the international affiliates and sponsors conferences and events for which it incurs costs that are reimbursed by the participating affiliates. Amounts due from affiliates at December 31, 2010 and 2009, were \$134,212 and \$169,699, respectively.

The Foundation accepts donations on behalf of the international affiliates and disburses these funds to affiliates on a quarterly basis. These affiliate transactions are reported as funds held for affiliates until they are distributed. Additionally, the Foundation may hold certain funds for affiliate organizations at their request. Amounts due to affiliates at December 31, 2010 and 2009, were \$215,861 and \$76,887, respectively.

NOTE 7 – TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets consists of \$377,767 and \$198,477 which is time restricted at December 31, 2010 and 2009, respectively, and \$275,044 and \$222,939 restricted for wish support at December 31, 2010 and 2009, respectively.

Net assets of \$482,080 and \$404,375, were released from time restrictions due to collection of the contributions receivable during the years ended December 31, 2010 and 2009, respectively.

NOTE 8 – EMPLOYEE BENEFIT PLAN

In 2003, the Foundation adopted a SIMPLE-IRA plan which covers all employees from their hire date. The Foundation matches each employee's elective deferral on a dollar-for-dollar basis up to 3% of the employee's compensation or other defined limits. A matching contribution of \$17,260 and \$13,289 was made to the SIMPLE-IRA plan for the years ended December 31, 2010 and 2009, respectively.

MAKE-A-WISH FOUNDATION INTERNATIONAL
NOTES TO FINANCIAL STATEMENTS
December 31, 2010 and 2009

NOTE 9 – OPERATING LEASES

The Foundation leases office space under a non-cancelable ten year operating lease with a termination option at five years beginning on November 1, 2009, which includes ten months of free rent. The Foundation is recording the rent on a straight-line basis over the term of the operating lease. The Foundation also has an operating lease for a copier, expiring December 28, 2010. Lease expense was approximately \$68,000 and \$66,000 for the years ended December 31, 2010 and 2009, respectively. Future minimum lease payments under the operating leases are as follows:

<u>Years Ending</u> <u>December 31,</u>	
2011	\$ 64,735
2012	66,340
2013	67,945
2014	69,550
2015	71,155
Thereafter	<u>287,563</u>
Total	<u>\$ 627,288</u>

NOTE 10 – CONCENTRATION OF CREDIT RISK

The Foundation maintains all of its cash with high-credit quality financial institutions. Balances on deposit are insured by the Federal Deposit Insurance Corporation (FDIC) up to specified limits. Balances in excess of FDIC limits are uninsured. The unlimited guarantee of non-interest-bearing transaction deposit accounts is over and above the \$250,000 coverage on all deposit accounts. As of December 31, 2010 and 2009, a portion of cash balances at financial institutions exceeded the balance insured by the FDIC. As of December 31, 2010, approximately \$50,000 of deposits were in excess of the FDIC insurance coverage limit.

NOTE 11 – SUBSEQUENT EVENTS

Management evaluated subsequent events through April 20, 2011, the date the financial statements were available to be issued. Events or transactions occurring after December 31, 2010, but prior to April 20, 2011, that provided additional evidence about conditions that existed at December 31, 2010, have been recognized in the financial statements for the year ended December 31, 2010. Events or transactions that provided evidence about conditions that did not exist at December 31, 2010, but arose before the financial statements were available to be issued have not been recognized in the financial statements for the year ended December 31, 2010.

This information is an integral part of the accompanying financial statements.