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## Independent Auditors' Report

Board of Directors  
Make-A-Wish Foundation® of Vermont

We have audited the accompanying statements of financial position of Make-A-Wish Foundation® of Vermont (the Foundation) as of August 31, 2010 and 2009, and the related statements of activities, cash flows, and functional expenses for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 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 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 financial statements referred to above present fairly, in all material respects, the financial position of Make-A-Wish Foundation® of Vermont as of August 31, 2010 and 2009, 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.

*KPMG LLP*

October 31, 2011

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

Statements of Financial Position

August 31, 2010 and 2009

<b>Assets</b>	<b>2010</b>	<b>2009</b>
Cash and cash equivalents	\$ 56,353	85,770
Investments (note 3)	930,805	928,711
Due from related entities (note 5)	8,743	3,480
Prepaid expenses	22,026	20,368
Contributions receivable (note 4)	17,200	49,950
Other assets	912	2,431
Investments held for long-term purposes (notes 3 and 9)	437,041	392,055
Property and equipment, net (note 6)	15,623	17,080
Total assets	<u>\$ 1,488,703</u>	<u>1,499,845</u>
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 27,311	9,813
Accrued pending wish costs	167,030	177,138
Other liabilities	38,020	28,501
Total liabilities	<u>232,361</u>	<u>215,452</u>
Commitments and contingencies		
Net assets:		
Unrestricted	802,101	842,388
Temporarily restricted (note 10)	17,200	49,950
Permanently restricted (note 10)	437,041	392,055
Total net assets	<u>1,256,342</u>	<u>1,284,393</u>
Total liabilities and net assets	<u>\$ 1,488,703</u>	<u>1,499,845</u>

See accompanying notes to financial statements.

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

Statement of Activities

Year ended August 31, 2010

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues, gains, and other support:				
Public support:				
Contributions	\$ 247,465	—	20,000	267,465
In-kind contributions	93,354	17,200	—	110,554
Grants	1,000	—	—	1,000
Total public support	<u>341,819</u>	<u>17,200</u>	<u>20,000</u>	<u>379,019</u>
Special events	442,850	—	—	442,850
Less direct benefit costs to donor	<u>(108,540)</u>	<u>—</u>	<u>—</u>	<u>(108,540)</u>
Total special events, net	334,310	—	—	334,310
Investment income, net (note 3)	74,554	—	24,986	99,540
Net assets released from restrictions	49,950	<u>(49,950)</u>	<u>—</u>	<u>—</u>
Total revenues, gains, and other support	<u>800,633</u>	<u>(32,750)</u>	<u>44,986</u>	<u>812,869</u>
Expenses:				
Program services:				
Wish granting	672,213	—	—	672,213
Total program services	<u>672,213</u>	<u>—</u>	<u>—</u>	<u>672,213</u>
Support services:				
Fund raising	126,669	—	—	126,669
Management and general	42,038	—	—	42,038
Total support services	<u>168,707</u>	<u>—</u>	<u>—</u>	<u>168,707</u>
Total program and support services expenses	<u>840,920</u>	<u>—</u>	<u>—</u>	<u>840,920</u>
Change in net assets	<u>(40,287)</u>	<u>(32,750)</u>	<u>44,986</u>	<u>(28,051)</u>
Net assets, beginning of the year	<u>842,388</u>	<u>49,950</u>	<u>392,055</u>	<u>1,284,393</u>
Net assets, end of the year	\$ <u>802,101</u>	<u>17,200</u>	<u>437,041</u>	<u>1,256,342</u>

See accompanying notes to financial statements.

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

Statement of Activities

Year ended August 31, 2009

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Total</u>
Revenues, gains (losses), and other support:				
Public support:				
Contributions	\$ 154,657	49,950	14,750	219,357
In-kind contributions	140,656	—	—	140,656
Grants	9,000	—	—	9,000
Total public support	<u>304,313</u>	<u>49,950</u>	<u>14,750</u>	<u>369,013</u>
Special events	363,896	—	50,000	413,896
Less direct benefit costs to donor	(64,517)	—	—	(64,517)
Total special events, net	<u>299,379</u>	<u>—</u>	<u>50,000</u>	<u>349,379</u>
Investment income (loss), net	(207,142)	—	2,869	(204,273)
Other income	1,341	—	—	1,341
Total revenues, gains, and other support	<u>397,891</u>	<u>49,950</u>	<u>67,619</u>	<u>515,460</u>
Expenses:				
Program services:				
Wish granting	631,872	—	—	631,872
Total program services	<u>631,872</u>	<u>—</u>	<u>—</u>	<u>631,872</u>
Support services:				
Fund raising	126,305	—	—	126,305
Management and general	42,199	—	—	42,199
Total support services	<u>168,504</u>	<u>—</u>	<u>—</u>	<u>168,504</u>
Total program and support services expenses	<u>800,376</u>	<u>—</u>	<u>—</u>	<u>800,376</u>
Change in net assets	(402,485)	49,950	67,619	(284,916)
Net assets, beginning of the year	1,244,873	—	324,436	1,569,309
Net assets, end of the year	\$ <u>842,388</u>	<u>49,950</u>	<u>392,055</u>	<u>1,284,393</u>

See accompanying notes to financial statements.

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

Statements of Cash Flows

Years ended August 31, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Change in net assets	\$ (28,051)	(284,916)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Reallocation of money market funds from investments to cash	—	61,757
Depreciation and amortization	6,924	4,006
Contributions restricted for long-term investment	(20,000)	(64,750)
Net realized and unrealized (gains) losses on investments	(70,172)	231,844
Changes in assets and liabilities:		
Contributions receivable	32,750	(22,682)
Due from related entities	(5,263)	75
Prepaid expenses	(1,658)	(10,313)
Other assets	1,519	—
Accounts payable and accrued expenses	17,498	(12,567)
Accrued pending wish costs	(10,108)	44,669
Other liabilities	9,519	161
Net cash used in operating activities	<u>(67,042)</u>	<u>(52,716)</u>
Cash flows from investing activities:		
Purchases of investments	(863,111)	(30,908)
Proceeds from sales of investments	886,203	50,000
Purchases of property and equipment	(5,467)	(14,418)
Net cash provided by (used in) investing activities	<u>17,625</u>	<u>4,674</u>
Cash flows from financing activities:		
Contributions restricted for long-term investment	20,000	64,750
Net cash provided by financing activities	<u>20,000</u>	<u>64,750</u>
Net (decrease) increase in cash and cash equivalents	(29,417)	16,708
Cash and cash equivalents, beginning of year	<u>85,770</u>	<u>69,062</u>
Cash and cash equivalents, end of year	\$ <u>56,353</u>	<u>85,770</u>
Supplemental cash flow information:		
In-kind contributions	\$ 110,554	140,656

See accompanying notes to financial statements.

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

Statement of Functional Expenses

Year ended August 31, 2010

	<b>Program services</b>	<b>Support services</b>			<b>Total</b>
	<b>Wish granting</b>	<b>Fund raising</b>	<b>Management and general</b>	<b>Total support services</b>	
Direct costs of wishes	\$ 424,677	—	—	—	424,677
Salaries, taxes, and benefits	134,297	67,148	22,384	89,532	223,829
Printing, subscriptions, and publications	17,297	13,834	2,926	16,760	34,057
Professional fees	3,231	1,477	493	1,970	5,201
Rent	23,018	11,509	3,836	15,345	38,363
Postage and delivery	5,831	2,894	963	3,857	9,688
Travel	4,988	4,311	859	5,170	10,158
Meetings and conferences	17,704	9,142	2,984	12,126	29,830
Office supplies	4,676	2,302	840	3,142	7,818
Communications	13,287	6,523	2,207	8,730	22,017
Advertising and media (cash)	17	8	3	11	28
Advertising and media (in-kind)	2,022	1,011	337	1,348	3,370
Insurance	725	362	121	483	1,208
National partnership dues	15,253	3,011	1,806	4,817	20,070
Miscellaneous	1,036	1,060	1,586	2,646	3,682
Depreciation and amortization	4,154	2,077	693	2,770	6,924
	<u>\$ 672,213</u>	<u>126,669</u>	<u>42,038</u>	<u>168,707</u>	<u>840,920</u>

See accompanying notes to financial statements.

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

Statement of Functional Expenses

Year ended August 31, 2009

	<b>Program services</b>	<b>Support services</b>			<b>Total</b>
	<b>Wish granting</b>	<b>Fund raising</b>	<b>Management and general</b>	<b>Total support services</b>	
Direct costs of wishes	\$ 381,674	—	—	—	381,674
Salaries, taxes, and benefits	142,137	71,027	23,588	94,615	236,752
Printing, subscriptions, and publications	14,203	12,070	2,610	14,680	28,883
Professional fees	1,822	912	304	1,216	3,038
Rent	23,018	11,509	3,836	15,345	38,363
Postage and delivery	8,858	5,769	1,504	7,273	16,131
Travel	5,172	3,080	1,822	4,902	10,074
Meetings and conferences	17,310	9,158	2,798	11,956	29,266
Office supplies	3,950	1,968	729	2,697	6,647
Communications	3,499	1,749	583	2,332	5,831
Insurance	736	368	123	491	1,227
National partnership dues	26,220	6,293	2,447	8,740	34,960
Miscellaneous	870	1,200	1,454	2,654	3,524
Depreciation and amortization	2,403	1,202	401	1,603	4,006
	<u>\$ 631,872</u>	<u>126,305</u>	<u>42,199</u>	<u>168,504</u>	<u>800,376</u>

See accompanying notes to financial statements.