

# MAKE-A-WISH FOUNDATION® OF VERMONT

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## **Independent Auditors' Report**

Board of Directors  
Make-A-Wish Foundation<sup>®</sup> of Vermont:

We have audited the accompanying statements of financial position of Make-A-Wish Foundation<sup>®</sup> of Vermont (the Foundation) as of August 31, 2011 and 2010, 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<sup>®</sup> of Vermont as of August 31, 2011 and 2010, 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**

June 7, 2012

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

Statements of Financial Position

August 31, 2011 and 2010

Assets	2011	2010
Cash and cash equivalents	\$ 267,564	53,028
Investments (note 3)	836,875	1,008,880
Due from related entities (note 5)	17,444	8,743
Prepaid expenses	1,308	22,026
Contributions receivable, net (note 4)	10,848	17,200
Other assets	912	912
Investments held for long-term purposes (notes 3 and 9)	460,722	362,291
Property and equipment, net (note 6)	15,905	15,623
Total assets	\$ 1,611,578	1,488,703
<b>Liabilities and Net Assets</b>		
Accounts payable and accrued expenses	\$ 18,171	27,311
Accrued pending wish costs	309,569	167,030
Other liabilities	200	38,020
Total liabilities	327,940	232,361
Commitments and contingencies		
Net assets:		
Unrestricted	782,824	805,852
Temporarily restricted (note 10)	22,028	21,704
Permanently restricted (note 10)	478,786	428,786
Total net assets	1,283,638	1,256,342
Total liabilities and net assets	\$ 1,611,578	1,488,703

See accompanying notes to financial statements.

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

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	\$ 499,814	10,848	50,000	560,662
Grants	11,000	—	—	11,000
Total public support	<u>510,814</u>	<u>10,848</u>	<u>50,000</u>	<u>571,662</u>
Special events	138,029	—	—	138,029
Less direct benefit costs to donor	<u>(52,681)</u>	<u>—</u>	<u>—</u>	<u>(52,681)</u>
Total special events, net	85,348	—	—	85,348
Investment income, net (note 3)	147,803	6,676	—	154,479
Other income	1,010	—	—	1,010
Net assets released from restrictions	<u>17,200</u>	<u>(17,200)</u>	<u>—</u>	<u>—</u>
Total revenues, gains, and other support	<u>762,175</u>	<u>324</u>	<u>50,000</u>	<u>812,499</u>
Expenses:				
Program services:				
Wish granting	<u>632,626</u>	<u>—</u>	<u>—</u>	<u>632,626</u>
Total program services	632,626	—	—	632,626
Support services:				
Fund raising	110,503	—	—	110,503
Management and general	<u>42,074</u>	<u>—</u>	<u>—</u>	<u>42,074</u>
Total support services	152,577	—	—	152,577
Total program and support services expenses	<u>785,203</u>	<u>—</u>	<u>—</u>	<u>785,203</u>
Change in net assets	(23,028)	324	50,000	27,296
Net assets, beginning of the year	<u>805,852</u>	<u>21,704</u>	<u>428,786</u>	<u>1,256,342</u>
Net assets, end of the year	<u>\$ 782,824</u>	<u>22,028</u>	<u>478,786</u>	<u>1,283,638</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	\$ 527,438	17,200	39,600	584,238
Grants	1,000	—	—	1,000
Total public support	<u>528,438</u>	<u>17,200</u>	<u>39,600</u>	<u>585,238</u>
Special events	235,367	—	—	235,367
Less direct benefit costs to donor	<u>(108,540)</u>	<u>—</u>	<u>—</u>	<u>(108,540)</u>
Total special events, net	126,827	—	—	126,827
Investment income, net (note 3)	97,905	4,504	(2,869)	99,540
Other income	1,264	—	—	1,264
Net assets released from restrictions	<u>49,950</u>	<u>(49,950)</u>	<u>—</u>	<u>—</u>
Total revenues, gains, and other support	<u>804,384</u>	<u>(28,246)</u>	<u>36,731</u>	<u>812,869</u>
Expenses:				
Program services:				
Wish granting	<u>672,213</u>	<u>—</u>	<u>—</u>	<u>672,213</u>
Total program services	672,213	—	—	672,213
Support services:				
Fund raising	126,669	—	—	126,669
Management and general	<u>42,038</u>	<u>—</u>	<u>—</u>	<u>42,038</u>
Total support services	168,707	—	—	168,707
Total program and support services expenses	<u>840,920</u>	<u>—</u>	<u>—</u>	<u>840,920</u>
Change in net assets	(36,536)	(28,246)	36,731	(28,051)
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>\$ 805,852</u>	<u>21,704</u>	<u>428,786</u>	<u>1,256,342</u>

See accompanying notes to financial statements.

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

Statements of Cash Flows

Years ended August 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Change in net assets	\$ 27,296	(28,051)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	4,788	6,924
Contributions restricted for long-term investment	(50,000)	(39,600)
Net realized and unrealized gains on investments	(127,663)	(70,172)
Gain on sale of property and equipment	(9,206)	—
Changes in assets and liabilities:		
Due from related entities	(8,701)	(5,263)
Prepaid expenses	20,718	(1,658)
Contributions receivable	6,352	32,750
Other assets	—	1,519
Accounts payable and accrued expenses	(9,140)	17,498
Accrued pending wish costs	142,539	(10,108)
Other liabilities	(37,820)	9,519
Net cash used in operating activities	<u>(40,837)</u>	<u>(86,642)</u>
Cash flows from investing activities:		
Purchases of investments	(1,582,537)	(866,436)
Proceeds from sales of investments	1,783,774	886,203
Purchases of property and equipment	(8,084)	(5,467)
Proceeds from sale of property and equipment	12,220	—
Net cash provided by investing activities	<u>205,373</u>	<u>14,300</u>
Cash flows from financing activities:		
Contributions restricted for long-term investment	50,000	39,600
Net cash provided by financing activities	<u>50,000</u>	<u>39,600</u>
Net increase (decrease) in cash and cash equivalents	214,536	(32,742)
Cash and cash equivalents, beginning of year	53,028	85,770
Cash and cash equivalents, end of year	\$ <u><u>267,564</u></u>	<u><u>53,028</u></u>
Supplemental cash flow information:		
In-kind contributions	\$ 75,195	110,554

See accompanying notes to financial statements.

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

Statement of Functional Expenses

Year ended August 31, 2011

	<b>Program services</b>		<b>Support services</b>		
	<b>Wish granting</b>	<b>Fund raising</b>	<b>Management and general</b>	<b>Total support services</b>	<b>Total</b>
Direct costs of wishes	\$ 419,604	—	—	—	419,604
Salaries, taxes, and benefits	117,346	58,673	21,464	80,137	197,483
Printing, subscriptions, and publications	8,415	6,633	1,686	8,319	16,734
Professional fees	4,295	2,292	1,716	4,008	8,303
Rent	21,161	10,581	3,527	14,108	35,269
Postage and delivery	3,653	1,398	493	1,891	5,544
Travel	3,927	7,196	1,496	8,692	12,619
Meetings and conferences	9,546	10,917	1,173	12,090	21,636
Office supplies	2,765	1,439	799	2,238	5,003
Communications	2,498	1,249	416	1,665	4,163
Advertising and media (cash)	1,604	—	425	425	2,029
Advertising and media (in-kind)	1,545	773	258	1,031	2,576
Insurance	732	366	122	488	1,220
National partnership dues	27,104	4,576	3,520	8,096	35,200
Miscellaneous	5,558	2,974	4,500	7,474	13,032
Depreciation and amortization	2,873	1,436	479	1,915	4,788
	<u>\$ 632,626</u>	<u>110,503</u>	<u>42,074</u>	<u>152,577</u>	<u>785,203</u>

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
	<b>\$ 672,213</b>	<b>126,669</b>	<b>42,038</b>	<b>168,707</b>	<b>840,920</b>

See accompanying notes to financial statements.