MAKE-A-WISH FOUNDATION® OF AMERICA

Consolidated Financial Statements and Supplemental Schedules

August 31, 2011

(With Independent Auditors' Report Thereon)

MAKE-A-WISH FOUNDATION® OF AMERICA

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KPMG LLP
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Independent Auditors' Report

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

We have audited the accompanying consolidated statement of financial position of Make-A-Wish Foundation® of America (the Foundation) as of August 31, 2011, and the related consolidated statements of activities, cash flows, and functional expenses for the year 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 audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the 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 audit provides 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, 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, the Foundation assumed control of four chapters during the fiscal year ended August 31, 2010. In accordance with Accounting Standards Codification Topic 958, Section 810-25, *Consolidation*, the Foundation included the assets, liabilities, and operating results of those chapters in the August 31, 2010 consolidated financial statements as if the chapters had been consolidated as of September 1, 2009. During the year ended August 31, 2011, the Foundation relinquished control of two of those chapters. As a result, net assets as of August 31, 2010 have been retrospectively presented to reflect the effect of those relinquishments.

Our audit for the year ended August 31, 2011 was made for the purpose of forming an opinion on the consolidated financial statements taken as whole. The supplementary information included in schedules 1, 2, 4, and 5 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole.

KPMG LLP is a Delaware limited liability partnership, the U.S. member firm of KPMG International Cooperative ("KPMG International"), a Swiss entity.

We have also previously audited, in accordance with generally accepted auditing standards, the consolidated statement of financial position of the Foundation as of August 31, 2010, and the related consolidated statement of activities, cash flows, and functional expenses for the year then ended (none of which is presented herein), and we expressed an unqualified opinion on those consolidated financial statements. The supplementary information included in schedules 1, 3, 4, and 6 related to the Foundation's August 31, 2010 consolidated financial statements was subjected to auditing procedures applied to the audit of those basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements from which it has been derived.

KPMG LLP

January 13, 2012

MAKE-A-WISH FOUNDATION® OF AMERICA

Consolidated Statement of Financial Position

August 31, 2011

Assets

Cash and cash equivalents	$	10,334,029
Investments		25,003,175
Due from related entities		858,734
Prepaid expenses		345,850
Contributions receivable, net		6,151,680
Other assets		9,467
Charitable gift annuities		609,510
Investments held for long-term purposes		5,929,511
Property and equipment, net		1,540,466
Total assets	$	50,782,422

Liabilities and Net Assets

Accounts payable and accrued expenses	$	2,046,530
Accrued pending wish costs		418,281
Due to related entities		4,980,123
Other liabilities		1,408,277
Total liabilities		8,853,211
Commitments and contingencies		
Net assets:		
Unrestricted		30,063,574
Temporarily restricted		5,458,233
Permanently restricted		6,407,404
Total net assets		41,929,211
Total liabilities and net assets	$	50,782,422

See accompanying notes to consolidated financial statements.

MAKE-A-WISH FOUNDATION® OF AMERICA

Consolidated Statement of Activities

Year ended August 31, 2011

	Unrestricted	Temporarily restricted	Permanently restricted	Total
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	90,203,884	3,161,895	2,382,073	95,747,852
Special events	499,190	—	—	499,190
Less direct benefit costs to donor	(173,866)	—	—	(173,866)
Total special events	325,324	—	—	325,324
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	99,230,146	1,995,359	2,382,073	103,607,578
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	83,596,796	—	—	83,596,796
Support services:				
Fundraising	8,233,944	—	—	8,233,944
Management and general	6,259,374	—	—	6,259,374
Total support services	14,493,318	—	—	14,493,318
Total program and support services expenses	98,090,114	—	—	98,090,114
Change in value of split-interest agreements	—	2,954	—	2,954
Other losses	55,180	—	—	55,180
Total expenses and losses	98,145,294	2,954	—	98,148,248
Change in net assets	1,084,852	1,992,405	2,382,073	5,459,330
Net assets, beginning of year, as restated	28,978,722	3,465,828	4,025,331	36,469,881
Net assets, end of year	$ 30,063,574	5,458,233	6,407,404	41,929,211

See accompanying notes to consolidated financial statements.

MAKE-A-WISH FOUNDATION® OF AMERICA

Consolidated Statement of Cash Flows

Year ended August 31, 2011

Cash flows from operating activities:		
Change in net assets	$	5,459,330
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization		454,826
Bad debt expense		4,700
Contributions restricted for long-term investment		(1,848,517)
Net realized and unrealized gains on investments		(1,501,828)
Loss on sale of property and equipment		55,180
Change in value of split-interest agreements		2,954
Change in discount to present value of contributions receivable		18,609
Changes in assets and liabilities:		
Contributions receivable		(2,382,698)
Due from related entities		(49,541)
Prepaid expenses		(71,912)
Other assets		3,159
Accounts payable and accrued expenses		132,926
Accrued pending wish costs		9,648
Due to related entities		2,376,422
Other liabilities		(200,025)
Net cash provided by operating activities		2,463,233
Cash flows from investing activities:		
Purchases of investments		(15,674,165)
Proceeds from sales of investments		12,859,811
Purchases of property and equipment		(378,504)
Proceeds from sale of property and equipment		116,638
Net cash used in investing activities		(3,076,220)
Cash flows from financing activities:		
Contributions restricted for long-term investment		1,848,517
Principal payments on capital lease obligations		(3,226)
Principal payments on notes payable		(101,449)
Net cash provided by financing activities		1,743,842
Net increase in cash and cash equivalents		1,130,855
Cash and cash equivalents, beginning of year, as restated		9,203,174
Cash and cash equivalents, end of year	$	10,334,029
Supplemental cash flow information:		
Cash paid for interest	$	3,392
Contributed services		33,603,973
In-kind contributions		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, 2011

	Program services					Support services			
	Wish granting	Program-related support	Training and development	Public information	Total program services	Fundraising	Management and general	Total support services	Total
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
	$ 1,320,929	44,146,488	1,232,271	36,897,108	83,596,796	8,233,944	6,259,374	14,493,318	98,090,114

See accompanying notes to consolidated financial statements.

(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, 2011, the Foundation has 64 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):

Total assets	$	192
Total liabilities		60
Total net assets		132
Total revenues		191
Total expenses		191

(Continued)

During the year ended August 31, 2010, the Foundation assumed control of four Chapters and, accordingly, included the assets, liabilities, and operating results of those Chapters in the August 31, 2010 consolidated financial statements as if the Chapters had been consolidated as of September 1, 2009. During the year ended August 31, 2011, the Foundation relinquished control of two of those Chapters and, therefore, excluded the assets, liabilities, and operating results of those Chapters from the Foundation's consolidated financial statements for the year ended August 31, 2011. As a result, net assets as of August 31, 2010 have been retrospectively presented to reflect the effect of those relinquishments. The effects of those relinquishments to the August 31, 2010 net assets were as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Ending net assets, as reported at August 31, 2010	$ 33,262,395	4,457,097	4,025,331	41,744,823
Relinquishment of net assets of Make-A-Wish Foundation of Greater Los Angeles	(708,753)	(613,732)	—	(1,322,485)
Relinquishment of net assets of Make-A-Wish Foundation of the Mid-Atlantic, Inc.	(3,574,920)	(377,537)	—	(3,952,457)
Ending net assets, as restated at August 31, 2010	$ 28,978,722	3,465,828	4,025,331	36,469,881

The term "the Foundation" is hereafter defined as the consolidated balances discussed above.

(2) Summary of Significant Accounting Policies

(a) Basis of Presentation

The consolidated 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, 2011 include $1,917,476 of money market mutual funds.

(c) Investments

Investments are recorded at fair value. Investment income, including gains and losses on investments, is recorded as an increase or decrease 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. Unconditional promises to give that are expected to be collected over a period longer than one year 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 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 or asset group 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.

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

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

- Level 3 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 (or liability) at measurement date.

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

The Foundation follows the provisions of 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 consolidated 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 for 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.
- **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 statement 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 consolidated statement of activities. Such in-kind contributions were reported as follows:

Wish related	$	6,030,766
Professional services		538,867
Advertising and media		33,093,379
Internal special events		72,004
Total	$	39,735,016

An internal special event is an event organized by the Foundation 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 $39,724,572 in 2011.

Advertising and media are used to help the Foundation communicate its message or mission and includes fundraising 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 and fundraising 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.

(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 (IRC) Section 501(c)(3) and Arizona Revised Statues §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 Topic 740 for its August 31, 2011 consolidated financial statements. Management asserts that no such uncertain tax position exists for the Foundation at August 31, 2011.

(j) Functional Expenses

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

Fundraising

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

Fundraising	$	3,610,923
Public information		2,595,748
Management and general		843,160
Total	$	7,049,831

Management and General

All costs not identifiable with a single program or fundraising 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.

(3) Fair Value Measurements of Cash and Investments

(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 table(s) as of August 31, 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 investment managers. During the year ended August 31, 2011, major investment decisions were authorized by the Foundation's Audit and Finance Committee, which oversees the Foundation's investment program in accordance with established guidelines.

Investment Strategies

In addition to stocks and fixed-income securities, the Foundation may also hold shares or units in 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 (REIT) 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 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.

(Continued)

(b) Fair Value Hierarchy

The following tables present the placement in the fair value hierarchy of assets and liabilities that are measured at fair value on a recurring basis at August 31, 2011:

Description	August 31, 2011	Fair value measurements at August 31, 2011 using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Redemption or liquidation	Days' notice
Cash and cash equivalents	$ 10,334,029	10,334,029	—	—	Daily	None
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 fixed income funds	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 investment	$ 25,003,175	14,668,571	8,247,682	2,086,922		

(Continued)

Description	August 31, 2011	Fair value measurements at August 31, 2011 using: Quoted prices in active markets for identical assets (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Redemption or liquidation	Days' notice
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	$ 609,510	563,162	46,348	—		
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	$ 5,929,511	5,702,821	163,092	63,598		

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

The following table presents a rollforward of activity for investments and investments held for long-term purposes measured at fair value using significant unobservable inputs (Level 3) for the year ended August 31, 2011:

		Fair value measurements using significant unobservable inputs (Level 3)
Beginning balance	$	2,048,195
Total losses (realized/unrealized) included in changes in net assets		102,325
Ending balance	$	2,150,520
The amount of total 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

Total investment income, gains, and losses for the year ended August 31, 2011 consists of the following:

Interest and dividend income	$	670,148
Realized and unrealized gains, net		1,501,828
Less investment expenses		(137,532)
Investment income, net	$	2,034,444

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

		Investment fair values
Investment redemption or sale period:		
Daily	$	29,391,676
Quarterly		2,086,922
Semiannually		63,598
Total as of August 31, 2011	$	31,542,196

(Continued)

(4) Contributions Receivable

Contributions receivable include pledges that have been discounted at rates ranging from 3.4% to 4.6% at August 31, 2011. The following is a summary of the Foundation's contributions receivable at August 31, 2011:

Total amounts due in:		
One year	$	4,403,414
Two to five years		1,539,007
More than five years		430,000
Gross contributions receivable		6,372,421
Less discount to present value		(220,741)
Contributions receivable, net	$	6,151,680

(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 the life of one or two 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 for the year ended August 31, 2011 ranged from 2.60% to 6.20%. The charitable gift annuities investments also include assets from contributions and income totaling $33,122 at August 31, 2011 for legally mandated reserves.

Liabilities to beneficiaries under split-interest agreements totaled $281,966 at August 31, 2011 and are included in other liabilities in the accompanying consolidated statement of financial position.

Liabilities to Chapters who are designated as remainder beneficiaries under split-interest agreements totaled $212,853 at August 31, 2011, and are included in due to related entities in the accompanying consolidated statement of financial position.

(6) Transactions with Related Entities

Chapters pay annual dues to the Foundation, which were $4,893,704 for the year ended August 31, 2011. 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 consolidated 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 consolidated statement of functional expenses. Under this program, the Foundation provided the Chapters with distributions of $28,962,065 for the year ended August 31, 2011.

(Continued)

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 consolidated 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 consolidated statement of functional expenses. Under this program, the Foundation provided the Chapters with distributions of $5,736,625 for the year ended August 31, 2011.

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 16 Chapters with contributions during the year ended August 31, 2011, totaling $1,446,794, which is reported in the consolidated statement of functional expenses 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 43 Chapters with distributions during the year ended August 31, 2011, totaling $1,676,955, which is reported in the consolidated statement of functional expenses as grants and scholarships.

As of August 31, 2011, the Foundation has amounts due from related entities of $858,734 and amounts due to related entities of $4,980,123.

Amounts due from related entities represent annual 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 2011, the Foundation received contributions in the form of pledges, cash, and in-kind donations, from employees and board members totaling $83,844. In 2011, amounts due from employees and board members totaled $502,593 and is included in contributions receivable in the accompanying consolidated statement of financial position.

(7) Property and Equipment, Net

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

Land	$	17,736
Buildings and building improvements		168,767
Computer equipment and software		1,407,084
Office furniture		524,073
Office equipment		382,270
Leasehold improvements		591,373
		3,091,303
Less accumulated depreciation and amortization		(1,550,837)
Property and equipment, net	$	1,540,466

(Continued)

Depreciation and amortization expense totaled $454,826 for the year ended August 31, 2011.

During the year ended August 31, 2011, the Foundation sold an office building and associated land for proceeds totaling $116,638. At the time of the sale, the assets had a net book value of $171,818, resulting in a loss of $55,180. This loss is presented as other losses in the consolidated statement of activities.

(8) 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, 2011, there were sponsored accounts with a total credit limit of $8,623,000 issued under this credit agreement and $2,822,000 outstanding on this credit agreement.

(9) 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.

(10) Accrued Pending Wish Costs

The Foundation accrues for 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 Foundation's wish granting policy, and
5. The wish is expected to be granted within the next 12 months.

As of August 31, 2011, the Foundation had 50 reportable pending wishes for Chapters under the control of the Foundation.

(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 year ended August 31, 2011 totaled $597,217. Total sublease payments for the year ended August 31, 2011 totaled $64,869.

Future minimum lease payments under operating leases having remaining terms in excess of one year, net of future sublease payments totaling $643,048, are as follows:

	Operating leases
Year ending August 31:	
2012	$ 629,414
2013	701,457
2014	723,526
2015	675,250
2016	689,288
2017 – 2019	2,276,327
Total minimum lease payments	$ 5,695,262

(12) Endowments

The Foundation follows the provisions of ASC 958, 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 required disclosures about endowment funds, for both donor-restricted and board-designated endowment funds. The state of Arizona enacted UPMIFA in 2008.

The Foundation's endowments consist of a general endowment fund and an endowment fund for the granting of children's wishes, which together total approximately 29 individual donor-restricted endowment 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 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

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, 2011 is as follows:

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Donor-restricted endowment funds	$ (33,782)	332,590	6,407,404	6,706,212

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

	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	$ (33,782)	332,590	6,407,404	6,706,212

(Continued)

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

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	$	6,407,404
Temporarily restricted net assets:		
The portion of perpetual endowment funds subject to a time restriction under UPMIFA:		
Without purpose restrictions	$	332,590

(b) Fund Deficiencies

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the aggregate principal contributions made to them. Deficiencies of this nature are reported in unrestricted net assets in the amount of $33,782 as of August 31, 2011. 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 Foundation's 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.

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

The Foundation has a policy of appropriating for distribution between 3% and 5% of its endowment fund's average fair value over the prior three years through the fiscal year-end preceding the fiscal year in which the distribution is planned. However, if the market value of 'Named' and 'Legacy' funds (the Funds), as defined in the Endowment Policy are less than the Fund's threshold level, the

(Continued)

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 year ended August 31, 2011:

Purpose restrictions	$	114,691
Time restrictions (including accumulated endowment returns)		5,343,542
Total temporarily restricted net assets	$	5,458,233

For the year ended August 31, 2011, permanently restricted net assets of $6,407,404 are restricted to investments in perpetuity, the income from which is expendable to support any activities of the Foundation.

(14) Retirement Plan

The Foundation has defined contribution retirement plans (the Plans). Employees are eligible for participation in the Plans if they have reached 21 years of age and either have been employed for one year and are employed upon the applicable entry date. Under the provisions of the Plans, 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 a maximum of 5%. Foundation contributions to the Plans for the year ended August 31, 2011 were $264,346.

(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.

Cash contributions totaling $9,580,430 were received from a single donor for the year ended August 31, 2011, which represents 10% of 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 consolidated financial statements for losses, if any, which might result from the ultimate outcome of such matters.

(17) Subsequent Events

The Foundation has evaluated subsequent events from the consolidated statement of financial position date through January 13, 2012, the date at which the consolidated financial statements were available to be issued.

Supplemental Schedule 1

MAKE-A-WISH FOUNDATION® OF AMERICA

Statements of Financial Position – National Office Only

August 31, 2011 and 2010

Assets		2011	2010
Cash and cash equivalents	$	9,624,139	8,714,049
Investments		24,978,785	22,717,365
Due from related entities		977,551	820,353
Prepaid expenses		345,784	272,934
Contributions receivable, net		6,042,340	3,711,419
Other assets		5,000	5,000
Split-interest agreements		609,510	586,481
Investments held for long-term purposes		5,929,511	3,851,020
Property and equipment, net		1,389,148	1,450,555
Total assets	$	49,901,768	42,129,176
Liabilities and Net Assets			
Accounts payable and accrued expenses	$	2,020,654	1,883,100
Due to related entities		5,013,508	2,616,388
Other liabilities		1,408,277	1,608,302
Total liabilities		8,442,439	6,107,790
Commitments and contingencies			
Net assets:			
Unrestricted		29,722,920	28,606,487
Temporarily restricted		5,329,005	3,389,568
Permanently restricted		6,407,404	4,025,331
Total net assets		41,459,329	36,021,386
Total liabilities and net assets	$	49,901,768	42,129,176

See accompanying independent auditors' report.

Supplemental Schedule 2

MAKE-A-WISH FOUNDATION® OF AMERICA

Statement of Activities – National Office Only

Year ended August 31, 2011

	Unrestricted	Temporarily restricted	Permanently restricted	Total
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	89,793,339	3,046,082	2,382,073	95,221,494
Special events	18,107	—	—	18,107
Total special events	18,107	—	—	18,107
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	98,456,233	1,942,391	2,382,073	102,780,697
Expenses:				
Program services:				
Wish granting	388,352	—	—	388,352
Program-related support	44,649,667	—	—	44,649,667
Training and development	1,232,271	—	—	1,232,271
Public information	36,897,108	—	—	36,897,108
Total program services	83,167,398	—	—	83,167,398
Support services:				
Fund raising	8,042,019	—	—	8,042,019
Management and general	6,130,383	—	—	6,130,383
Total support services	14,172,402	—	—	14,172,402
Total program and support services expenses	97,339,800	—	—	97,339,800
Change in value of split-interest agreements	—	2,954	—	2,954
Total expenses and losses	97,339,800	2,954	—	97,342,754
Change in net assets	1,116,433	1,939,437	2,382,073	5,437,943
Net assets, beginning of year	28,606,487	3,389,568	4,025,331	36,021,386
Net assets, end of year	$ 29,722,920	5,329,005	6,407,404	41,459,329

See accompanying independent auditors' report.

Supplemental Schedule 3

MAKE-A-WISH FOUNDATION® OF AMERICA

Statement of Activities – National Office Only

Year ended August 31, 2010

	Unrestricted	Temporarily restricted	Permanently restricted	Total
Revenues, gains, and other support:				
Public support:				
Contributions	$ 76,539,391	1,586,301	1,553,987	79,679,679
Grants	207,530	—	—	207,530
Total public support	76,746,921	1,586,301	1,553,987	79,887,209
Investment income (loss), net	1,137,582	59,060	—	1,196,642
Chapter assessments	4,897,403	—	—	4,897,403
Other income	183,814	—	—	183,814
Net assets released from restrictions	1,228,298	(1,228,298)	—	—
Total revenues, gains, and other support	84,194,018	417,063	1,553,987	86,165,068
Expenses:				
Program services:				
Wish granting	392,208	—	—	392,208
Program-related support	43,719,628	—	—	43,719,628
Training and development	939,047	—	—	939,047
Public information	22,925,423	—	—	22,925,423
Total program services	67,976,306	—	—	67,976,306
Support services:				
Fund raising	8,982,750	—	—	8,982,750
Management and general	6,271,935	—	—	6,271,935
Total support services	15,254,685	—	—	15,254,685
Total program and support services expenses	83,230,991	—	—	83,230,991
Change in value of split-interest agreements	—	33,264	—	33,264
Total expenses and losses	83,230,991	33,264	—	83,264,255
Change in net assets	963,027	383,799	1,553,987	2,900,813
Net assets, beginning of year	27,643,460	3,005,769	2,471,344	33,120,573
Net assets, end of year	$ 28,606,487	3,389,568	4,025,331	36,021,386

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, 2011 and 2010

	2011	2010
Cash flows from operating activities:		
Change in net assets	$ 5,437,943	2,900,813
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	439,911	413,403
Contributions restricted for long-term investment	(1,848,517)	(1,553,987)
Net realized and unrealized gains on investments	(1,498,050)	(622,901)
Change in value of split-interest agreements	2,954	33,264
Change in discount to present value of contributions receivable	18,609	137,266
Changes in assets and liabilities:		
Contributions receivable	(2,349,530)	(416,823)
Due from related entities	(157,198)	(69,648)
Prepaid expenses	(72,850)	147,024
Other assets	—	63,873
Accounts payable and accrued expenses	137,554	378,488
Accrued pending wish costs	—	(83,433)
Due to related entities	2,397,120	366,953
Other liabilities	(200,025)	1,370,533
Net cash provided by operating activities	2,307,921	3,064,825
Cash flows from investing activities:		
Purchases of investments	(15,674,165)	(22,028,798)
Proceeds from sales of investments	12,806,321	12,759,997
Purchases of property and equipment	(378,504)	(1,455,873)
Net cash used in investing activities	(3,246,348)	(10,724,674)
Cash flows from financing activity:		
Contributions restricted for long-term investment	1,848,517	1,553,987
Net cash provided by financing activity	1,848,517	1,553,987
Net increase (decrease) in cash and cash equivalents	910,090	(6,105,862)
Cash and cash equivalents, beginning of year	8,714,049	14,819,911
Cash and cash equivalents, end of year	$ 9,624,139	8,714,049
Supplemental cash flow information:		
Contributed services	$ 33,603,973	21,557,649
In-kind contributions	5,936,623	6,943,384

See accompanying independent auditors' report.

Supplemental Schedule 5

MAKE-A-WISH FOUNDATION® OF AMERICA

Statement of Functional Expenses – National Office Only

Year ended August 31, 2011

	Program services					Support services			
	Wish granting	Program-related support	Training and development	Public information	Total program services	Fund raising	Management and general	Total support services	Total
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.

Supplemental Schedule 6

MAKE-A-WISH FOUNDATION® OF AMERICA

Statement of Functional Expenses – National Office Only

Year ended August 31, 2010

	Program services					Support services			
	Wish granting	Program-related support	Training and development	Public information	Total program services	Fund raising	Management and general	Total support services	Total
Direct costs of wishes	$ 19,686	—	—	—	19,686	—	—	—	19,686
Distributions to related entities	—	37,805,115	—	—	37,805,115	—	—	—	37,805,115
Salaries, taxes, and benefits	263,163	2,229,914	475,420	468,196	3,436,693	1,940,186	3,560,847	5,501,033	8,937,726
Printing, subscriptions, and publications	2,734	3,436	4,841	994,846	1,005,857	2,557,342	586,875	3,144,217	4,150,074
Professional fees	5,282	1,823,448	97,123	560,797	2,486,650	1,266,002	679,193	1,945,195	4,431,845
Rent and utilities	10,951	92,111	20,973	18,203	142,238	82,869	141,533	224,402	366,640
Postage and delivery	5,239	36,331	7,826	673,332	722,728	1,657,864	427,917	2,085,781	2,808,509
Travel	28,487	218,392	68,745	17,006	332,630	180,749	172,575	353,324	685,954
Meetings and conferences	20,854	6,405	194,045	1,357	222,661	31,039	119,981	151,020	373,681
Office supplies	4,961	30,578	10,497	9,639	55,675	29,830	103,179	133,009	188,684
Communications	5,600	33,483	6,617	5,759	51,459	31,965	47,695	79,660	131,119
Advertising and media (cash)	—	—	75	30,445	30,520	72,496	3,405	75,901	106,421
Advertising and media (in-kind)	—	—	—	20,105,091	20,105,091	788,031	—	788,031	20,893,122
Repairs and maintenance	551	4,959	2,143	918	8,571	8,697	12,239	20,936	29,507
Insurance	1,315	380,033	2,630	2,191	386,169	18,652	66,339	84,991	471,160
Membership dues	200	253,616	1,992	15,669	271,477	55,559	7,210	62,769	334,246
Grants and scholarships	10,000	696,183	—	—	706,183	—	—	—	706,183
Miscellaneous	783	6,407	21,316	1,304	29,810	166,386	181,720	348,106	377,916
Depreciation and amortization	12,402	99,217	24,804	20,670	157,093	95,083	161,227	256,310	413,403
	$ 392,208	43,719,628	939,047	22,925,423	67,976,306	8,982,750	6,271,935	15,254,685	83,230,991

See accompanying independent auditors' report.