



MAKE-A-WISH FOUNDATION[®] OF COLORADO

Financial Statements

August 31, 2010 and 2009

(With Independent Auditors' Report Thereon)

MAKE-A-WISH FOUNDATION[®] OF COLORADO

Table of Contents

	Page
Independent Auditors' Report	1
Statements of Financial Position	2
Statements of Activities	3
Statements of Cash Flows	5
Statements of Functional Expenses	6
Notes to Financial Statements	8



KPMG LLP
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Independent Auditors' Report

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

We have audited the accompanying statements of financial position of Make-A-Wish Foundation[®] of Colorado (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 Colorado 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

December 10, 2010

MAKE-A-WISH FOUNDATION® OF COLORADO

Statements of Financial Position

August 31, 2010 and 2009

	Assets	2010	2009
Cash and cash equivalents		\$ 173,271	80,889
Investments		1,308,277	1,009,685
Due from related entities		17,557	28,243
Prepaid expenses		9,645	9,645
Contributions receivable, net		219,804	132,419
Property and equipment, net		3,763	11,033
Total assets		<u>\$ 1,732,317</u>	<u>1,271,914</u>
Liabilities and Net Assets			
Accounts payable and accrued expenses		\$ 191,530	129,109
Accrued pending wish costs		315,570	364,372
Due to related entities		9,733	—
Other liabilities		42,801	17,386
Total liabilities		<u>559,634</u>	<u>510,867</u>
Net assets:			
Unrestricted		883,706	547,245
Temporarily restricted		288,977	213,802
Total net assets		<u>1,172,683</u>	<u>761,047</u>
Total liabilities and net assets		<u>\$ 1,732,317</u>	<u>1,271,914</u>

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF COLORADO

Statement of Activities

Year ended August 31, 2010

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Revenues, gains, and other support:			
Public support:			
Contributions	\$ 1,403,384	42,520	1,445,904
In-kind contributions	508,677	65,999	574,676
Grants	136,143	—	136,143
Total public support	<u>2,048,204</u>	<u>108,519</u>	<u>2,156,723</u>
Special events	704,657	180,258	884,915
Less direct benefit costs to donor	<u>(70,923)</u>	<u>—</u>	<u>(70,923)</u>
Total special events	<u>633,734</u>	<u>180,258</u>	<u>813,992</u>
Investment income, net	98,592	—	98,592
Other income	5,061	200	5,261
Net assets released from restrictions	<u>213,802</u>	<u>(213,802)</u>	<u>—</u>
Total revenues, gains, and other support	<u>2,999,393</u>	<u>75,175</u>	<u>3,074,568</u>
Expenses:			
Program services:			
Wish granting	1,946,171	—	1,946,171
Program-related support	15,066	—	15,066
Public information	<u>68,234</u>	<u>—</u>	<u>68,234</u>
Total program services	<u>2,029,471</u>	<u>—</u>	<u>2,029,471</u>
Support services:			
Fund raising	418,968	—	418,968
Management and general	<u>214,493</u>	<u>—</u>	<u>214,493</u>
Total support services	<u>633,461</u>	<u>—</u>	<u>633,461</u>
Total program and support services expenses	<u>2,662,932</u>	<u>—</u>	<u>2,662,932</u>
Change in net assets	336,461	75,175	411,636
Net assets, beginning of the year	<u>547,245</u>	<u>213,802</u>	<u>761,047</u>
Net assets, end of the year	<u>\$ 883,706</u>	<u>288,977</u>	<u>1,172,683</u>

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF COLORADO

Statement of Activities

Year ended August 31, 2009

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Total</u>
Revenues, gains, and other support:			
Public support:			
Contributions	\$ 1,140,054	33,526	1,173,580
In-kind contributions	508,220	102,467	610,687
Grants	194,632	—	194,632
Total public support	<u>1,842,906</u>	<u>135,993</u>	<u>1,978,899</u>
Special events	676,941	77,809	754,750
Less direct benefit costs to donor	<u>(120,038)</u>	<u>—</u>	<u>(120,038)</u>
Total special events	<u>556,903</u>	<u>77,809</u>	<u>634,712</u>
Investment loss, net	(128,470)	—	(128,470)
Other income	8,254	—	8,254
Net assets released from restrictions	<u>177,461</u>	<u>(177,461)</u>	<u>—</u>
Total revenues, gains, and other support	<u>2,457,054</u>	<u>36,341</u>	<u>2,493,395</u>
Expenses:			
Program services:			
Wish granting	1,769,087	—	1,769,087
Program-related support	35,612	—	35,612
Public information	59,342	—	59,342
Total program services	<u>1,864,041</u>	<u>—</u>	<u>1,864,041</u>
Support services:			
Fund raising	367,306	—	367,306
Management and general	204,829	—	204,829
Total support services	<u>572,135</u>	<u>—</u>	<u>572,135</u>
Total program and support services expenses	<u>2,436,176</u>	<u>—</u>	<u>2,436,176</u>
Change in net assets	20,878	36,341	57,219
Net assets, beginning of the year	<u>526,367</u>	<u>177,461</u>	<u>703,828</u>
Net assets, end of the year	<u>\$ 547,245</u>	<u>213,802</u>	<u>761,047</u>

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF COLORADO

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	\$ 411,636	57,219
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	7,270	8,970
Net realized and unrealized (gains) losses on investments	(86,201)	153,756
Changes in assets and liabilities:		
Contributions receivable	(87,385)	(7,525)
Due from related entities	10,686	39,318
Accounts payable and accrued expenses	62,421	(64,461)
Accrued pending wish costs	(48,802)	(55,569)
Due to related entities	9,733	—
Other liabilities	25,415	(20,175)
Net cash provided by operating activities	<u>304,773</u>	<u>111,533</u>
Cash flows from investing activities:		
Purchases of investments	(1,078,425)	(229,781)
Proceeds from sales of investments	866,034	198,109
Net cash used in investing activities	<u>(212,391)</u>	<u>(31,672)</u>
Net increase in cash and cash equivalents	92,382	79,861
Cash and cash equivalents, beginning of year	<u>80,889</u>	<u>1,028</u>
Cash and cash equivalents, end of year	\$ <u><u>173,271</u></u>	\$ <u><u>80,889</u></u>
Supplemental cash flow information:		
In-kind contributions	581,752	610,687

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF COLORADO

Statement of Functional Expenses

Year ended August 31, 2010

	Program services			Support services			Total	
	Wish granting	Program-related support	Public information	Total program services	Fund-raising	Management and general		Total support services
Direct costs of wishes	\$ 1,507,100	—	—	1,507,100	—	—	—	1,507,100
Salaries, taxes, and benefits	307,372	12,106	48,421	367,899	286,142	157,194	443,336	811,235
Printing, subscriptions, and publications	3,138	123	495	3,756	19,799	1,688	21,487	25,243
Professional fees	—	—	—	—	—	13,550	13,550	13,550
Media and advertising (cash)	—	—	7,961	7,961	10,113	—	10,113	18,074
Rent and utilities	45,094	1,776	7,104	53,974	40,203	23,061	63,264	117,238
Postage and delivery	571	22	90	683	12,183	292	12,475	13,158
Travel	4,226	166	666	5,058	8,313	2,161	10,474	15,532
Meetings and conferences	583	23	92	698	2,443	298	2,741	3,439
Office supplies	10,971	432	1,728	13,131	16,215	5,611	21,826	34,957
Telephone	3,668	144	578	4,390	3,779	1,876	5,655	10,045
Repairs and maintenance	162	6	25	193	144	—	144	337
National partnership dues	56,465	—	—	56,465	13,551	5,270	18,821	75,286
Miscellaneous	4,022	158	634	4,814	3,591	2,063	5,654	10,468
Depreciation	2,799	110	440	3,349	2,492	1,429	3,921	7,270
	<u>\$ 1,946,171</u>	<u>15,066</u>	<u>68,234</u>	<u>2,029,471</u>	<u>418,968</u>	<u>214,493</u>	<u>633,461</u>	<u>2,662,932</u>

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF COLORADO

Statement of Functional Expenses

Year ended August 31, 2009

	Program services			Support services			Total	
	Wish granting	Program-related support	Public information	Total program services	Fund-raising	Management and general		Total support services
Direct costs of wishes	\$ 1,330,098	—	—	1,330,098	—	—	—	1,330,098
Salaries, taxes, and benefits	315,388	16,307	50,100	381,795	225,848	157,694	383,542	765,337
Printing, subscriptions, and publications	998	51	159	1,208	24,707	499	25,206	26,414
Professional fees	—	—	—	—	—	11,950	11,950	11,950
Media and advertising (cash)	126	16,302	20	16,448	25,581	56	25,637	42,085
Media and advertising (in-kind)	—	—	—	—	20,000	—	20,000	20,000
Rent and utilities	34,117	1,764	5,419	41,300	22,642	17,059	39,701	81,001
Postage and delivery	2,032	105	323	2,460	10,635	1,016	11,651	14,111
Travel	1,726	89	274	2,089	4,448	863	5,311	7,400
Meetings and conferences	168	9	27	204	1,214	84	1,298	1,502
Office supplies	6,866	356	1,090	8,312	8,474	3,433	11,907	20,219
Telephone	4,097	212	651	4,960	2,719	2,048	4,767	9,727
Repairs and maintenance	49	3	8	60	33	25	58	118
National partnership dues	65,425	—	—	65,425	15,702	6,106	21,808	87,233
Miscellaneous	4,216	219	671	5,106	2,797	2,108	4,905	10,011
Depreciation	3,781	195	600	4,576	2,506	1,888	4,394	8,970
	<u>\$ 1,769,087</u>	<u>35,612</u>	<u>59,342</u>	<u>1,864,041</u>	<u>367,306</u>	<u>204,829</u>	<u>572,135</u>	<u>2,436,176</u>

See accompanying notes to financial statements.

MAKE-A-WISH FOUNDATION® OF COLORADO

Notes to Financial Statements

August 31, 2010 and 2009

(1) Organization

Make-A-Wish Foundation® of Colorado (the Foundation) is a Colorado not-for-profit corporation, organized for the purpose of granting wishes to children with life-threatening medical conditions. The Foundation is an independently operating chapter of Make-A-Wish Foundation of America (National Organization), which operates to develop and implement national programs in public relations and fund-raising for the benefit of all local chapters. In addition, the local chapter is obligated to comply with a chapter agreement with the National Organization and such guidelines, resolutions, and policies as may be adopted by the National Organization's board of directors.

(2) Summary of Significant Accounting Policies

(a) *Basis of Presentation*

The financial statements of the Foundation are prepared on the accrual basis of accounting in accordance with U.S. generally accepted accounting principles.

(b) *Cash and Cash Equivalents*

The Foundation considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

(c) *Investments*

Investments are recorded at fair value and consist of money market funds and mutual funds. Investment income, including gains and losses on investments, is recorded as increases or decreases in unrestricted net assets unless its use is limited by donor-imposed restrictions or law.

(d) *Contributions Receivable*

Contributions receivable are unconditional promises to give. Such promises that are expected to be collected within one year are recorded at expected net realizable value when the promise is received. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of estimated future cash flows.

(e) *Property and Equipment, Net*

Property and equipment having a unit cost greater than \$500 and 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 over time in an amount equivalent to annual depreciation or once the asset has been placed into service. Depreciation on property and equipment is provided on a straight-line basis over the estimated useful lives of the assets, generally 3 to 10 years. 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, plant, 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

MAKE-A-WISH FOUNDATION® OF COLORADO

Notes to Financial Statements

August 31, 2010 and 2009

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 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

On September 1, 2008, the Foundation adopted the provisions of Financial Accounting Standards Board (FASB) Statement No. 157, *Fair Value Measurements* (Statement 157), (included in Accounting Standards Codification (ASC) Topic 820, *Fair Value Measurements and Disclosures*), for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Statement 157 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 (Statement 157) also establishes a framework for measuring fair value and expands disclosures about fair value measurements.

(g) Net Assets

The Foundation's net assets and changes therein are classified and reported as follows:

- **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 time restriction expires or the purpose restriction is met, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. When restrictions are met in the same period as the contribution is received, the Foundation records the contribution and the expense as unrestricted. Contributions of assets other than cash are recorded at their estimated fair value. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

MAKE-A-WISH FOUNDATION® OF COLORADO

Notes to Financial Statements

August 31, 2010 and 2009

The Foundation received contributions of assets other than cash that are included in the accompanying statements of activities as in-kind contributions and special events revenue of \$574,676 and \$7,076, respectively, in 2010 and \$610,687 and \$0, respectively, in 2009. Program or supporting services expenses were recorded at fair value totaling \$581,752 and \$610,687 in 2010 and 2009, respectively. In-kind contributions consisted of the following:

	<u>2010</u>	<u>2009</u>
Computer equipment, games, and toys	\$ 2,926	1,203
Cruises	13,320	6,940
Lodging	393,639	382,466
Theme parks	8,117	6,644
Transportation	125,580	113,040
Other wish-related donations	25,908	77,169
Professional services and other donations	12,262	23,225
Total	<u>\$ 581,752</u>	<u>610,687</u>

Advertising and media is used to help the Foundation communicate its message or mission and includes fund-raising materials, informational material, or advertising, and may be in the form of an audio or video tape of a public service announcement, a layout for a newspaper, media time or space for public service announcements, or other purposes.

(i) ***Income Taxes***

The Foundation is a not-for-profit organization exempt from federal income and Colorado taxes under the provisions of Internal Revenue Code Section 501(c)(3). 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 deferral and disclosure provisions of ASC 740 for its August 31, 2009 financial statements and has adopted the provisions of ASC 740 for the year ended August 31, 2010. Management asserts that no such uncertain tax position exists for the Foundation at August 31, 2010.

MAKE-A-WISH FOUNDATION® OF COLORADO

Notes to Financial Statements

August 31, 2010 and 2009

(j) ***Functional Expenses***

The Foundation performs five functions: wish granting, program-related support, public information, fund-raising, and management and general. Definitions of these functions are as follows:

Wish Granting

Activities performed by the Foundation that grant wishes to children with life-threatening medical conditions.

Program-Related Support

Activities performed by the Foundation related to the wish program including the identification of wish candidates and the determination and delivery of each wish. Specific activities include, but are not limited to, the development of wish resources, handling of wish referrals, and administration of the wish program.

Public Information

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

Fund Raising

Activities performed by the Foundation to generate funds and/or resources to support its programs and operations. During the fiscal years ended August 31, 2010 and 2009, the Foundation incurred no significant joint costs for activities that include fund raising appeals.

Management and General

All costs not identifiable with a single program or fund-raising activity, but indispensable to the conduct of such programs and activities and to the Foundation's existence, are included as management and general expenses. This includes expenses for the overall direction of the Foundation, business management, general record-keeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment, and other expenses.

Expenses that benefit more than one function of the Foundation are allocated among the functions based generally on the amount of time spent by employees on each function.

(k) ***Management Estimates***

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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 period. Actual results could differ from those estimates. Significant items subject to such estimates and assumptions include the useful lives of property and equipment, investments, and accrued pending wish costs. The current economic environment has increased the degree of uncertainty inherent in those estimates and assumptions.

MAKE-A-WISH FOUNDATION® OF COLORADO

Notes to Financial Statements

August 31, 2010 and 2009

(3) Fair Value Measurements

The Foundation adopted ASC Topic 820 (Statement 157) on September 1, 2008 for fair value measurements of financial assets and financial liabilities and for fair value measurements of nonfinancial items that are recognized or disclosed at fair value in the financial statements on a recurring basis. ASC Topic 820 establishes 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 (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 – inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Foundation has the ability to access at the measurement date.
- Level 2 – inputs are inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.
- Level 3 – inputs are unobservable inputs for the asset or liability.

The level in the fair value hierarchy within which a fair value measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

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, 2010 and 2009:

Description	August 31, 2010	Fair value measurements at August 31, 2010 using quoted prices in active markets for identical assets (Level 1)
Investments:		
Mutual funds:		
International equity	\$ 16,929	16,929
Bonds	87,697	87,697
Money market funds	1,203,651	1,203,651
Cash held on deposit with financial institutions	173,271	173,271
Total	<u>\$ 1,481,548</u>	<u>1,481,548</u>

MAKE-A-WISH FOUNDATION® OF COLORADO

Notes to Financial Statements

August 31, 2010 and 2009

Description	August 31, 2009	Fair value measurements at August 31, 2009 using quoted prices in active markets for identical assets (Level 1)
Investments:		
Mutual funds:		
Domestic equity	\$ 423,273	423,273
International equity	66,925	66,925
Commodities	22,119	22,119
Bonds	179,521	179,521
Equity securities:		
U.S. corporate equity securities	6,741	6,741
Money market funds	311,106	311,106
Cash held on deposit with financial institutions	80,889	80,889
Total	\$ <u>1,090,574</u>	<u>1,090,574</u>

There were no Level 2 or 3 investments held during the years ended August 31, 2010 or 2009.

Total investment income, gains, and losses for the years ended August 31, 2010 and 2009 consist of the following:

	<u>2010</u>	<u>2009</u>
Interest and dividend income	\$ 15,022	29,971
Realized and unrealized gains (losses), net	86,201	(153,756)
Less investment expenses	(2,631)	(4,685)
Investment income (loss), net	\$ <u>98,592</u>	<u>(128,470)</u>

(4) Contributions Receivable

All contribution receivables are due on or before August 31, 2011. All receivables are considered to be collectible.

(5) Transactions with Related Entities

The Foundation pays the National Organization annual dues, which were \$75,286 and \$87,233 for the years ended August 31, 2010 and 2009, respectively. The National Organization supports the Foundation by providing funding and other support for the granting of wishes.

MAKE-A-WISH FOUNDATION® OF COLORADO

Notes to Financial Statements

August 31, 2010 and 2009

Chapters who assist with the organization and granting of wishes from other chapters are paid a “fee for service” called the wish assist fee. Under this program, the Foundation received \$4,559 and \$8,250 for the years ended August 31, 2010 and 2009, respectively, which is recorded in the accompanying statements of activities as other income.

Amounts due from and to related entities are as follows:

	2010	2009
Balance at August 31:		
Due from National Organization	\$ 16,749	28,093
Due from other chapters	808	150
Total due from related entities	\$ 17,557	28,243
Due to other chapters	\$ 9,733	—

Amounts due from the National Organization represent contributions remitted to the National Organization that are identified for the Foundation’s use but were not yet transferred to the Foundation as of year-end. Amounts due from other chapters represent amounts paid in assisting other chapters with their wish granting. Amounts due to other chapters represent amounts owed to other chapters who have assisted in the granting of wishes for the Foundation.

During 2010 and 2009, the Foundation received contributions, both cash and in-kind, from board members totaling \$31,154 and \$33,200, respectively.

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

Fixed assets as of August 31, 2010 and 2009 consist of the following:

	2010	2009
Computer equipment and software	30,172	30,172
Web site and Web site templates	5,000	5,000
Office furniture	37,091	37,091
	72,263	72,263
Less accumulated depreciation	(68,500)	(61,230)
Property and equipment, net	\$ 3,763	11,033

Depreciation expense totaled \$7,270 and \$8,970 for the years ended August 31, 2010 and 2009, respectively.

MAKE-A-WISH FOUNDATION® OF COLORADO

Notes to Financial Statements

August 31, 2010 and 2009

(7) 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 National Organization's wish granting policy, and
5. The wish is expected to be granted within the next 12 months.

As of August 31, 2010 and 2009, the Foundation had approximately 57 and 61 reportable pending wishes, respectively.

(8) Leases

The Foundation is obligated under various operating leases for office and equipment, which expire at various dates through 2015. Total rent expense for all operating leases for the years ended August 31, 2010 and 2009 totaled \$108,818 and \$81,001, respectively.

Future minimum lease payments under operating leases having remaining terms in excess of one year are as follows:

	Operating leases
Year ending August 31:	
2011	\$ 117,311
2012	118,052
2013	120,276
2014	121,017
2015	92,431
	<hr/>
Total minimum lease payments	\$ <u>569,087</u>

The Foundation has entered into a lease agreement with escalating lease payments. The Foundation expenses the lease payments on a straight-line basis. The difference between the cash paid and the lease expense is recorded as deferred rent. At August 31, 2010 and 2009, the Foundation had \$44,201 and \$10,686 of deferred rent, respectively.

MAKE-A-WISH FOUNDATION® OF COLORADO

Notes to Financial Statements

August 31, 2010 and 2009

(9) Temporarily Restricted Net Assets

Temporarily restricted net assets are available for the following purposes for the years ended August 31, 2010 and 2009:

	<u>2010</u>	<u>2009</u>
Time restrictions	\$ 288,977	213,802
Total temporarily restricted net assets	<u>\$ 288,977</u>	<u>213,802</u>

(10) Retirement Plan

The Foundation has a defined contribution retirement plan (the Plan). Employees are eligible for participation in the Plan after reaching 21 years of age and upon completion of one year of service. Under the provisions of the Plan, eligible employees may elect to defer a percentage of their salary subject to certain IRC limitations. The Foundation matches employee contributions up to 5% of the employee's salary. Foundation contributions to the Plan for the years ended August 31, 2010 and 2009 were \$26,108 and \$25,179, respectively.

(11) 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 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.

In-kind contributions totaling \$351,172 and \$339,839 were received from a single donor for the years ended August 31, 2010 and 2009, respectively, which represents 12% and 13%, respectively, of total public support. Should these contribution levels decrease, the Foundation may be adversely affected.

(12) Litigation and Claims

The Foundation is involved in various other claims and legal actions arising in the ordinary course of business. In the opinion of management, the ultimate disposition of these matters will not have a material adverse effect on the Foundation's financial position, change in net assets, or liquidity.

(13) Subsequent Events

The Foundation has evaluated subsequent events from the statement of financial position date through December 10, 2010, the date at which the financial statements were available to be issued.