

**STARLIGHT CHILDREN'S FOUNDATION  
AND U.S. CHAPTERS**

CONSOLIDATED FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2010

**STARLIGHT CHILDREN'S FOUNDATION  
AND U.S. CHAPTERS**

**CONSOLIDATED FINANCIAL STATEMENTS**

**YEAR ENDED MARCH 31, 2010**

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**GREEN HASSON & JANKS LLP**  
BUSINESS ADVISORS AND CPAS

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors  
Starlight Children's Foundation and U.S. Chapters

We have audited the accompanying consolidated statement of financial position of Starlight Children's Foundation and U.S. Chapters (the Foundation) as of March 31, 2010 and the related consolidated statements of activities, functional expenses, and cash flows 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. The prior year summarized comparative information has been derived from the Foundation's 2009 consolidated financial statements and, in our report dated September 9, 2009, we expressed an unqualified opinion on those consolidated financial statements.

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 audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall consolidated 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 consolidated financial position of the Foundation as of March 31, 2010 and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic consolidated financial statements taken as a whole. The consolidating schedules of financial position and activities are presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, changes in net assets, and cash flows of the individual chapters. 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.

*Green Hasson & Janks LLP*

October 6, 2010  
Los Angeles, California

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**STARLIGHT CHILDREN'S FOUNDATION  
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**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

March 31, 2010

With Summarized Totals at March 31, 2009

<b>ASSETS</b>	2010			2009 Total
	Unrestricted	Temporarily Restricted	Total	
Cash and Cash Equivalents	\$ 4,854,379	\$ 3,445,090	\$ 8,299,469	\$ 10,389,688
Investments	2,627,587	-	2,627,587	2,284,972
Accounts Receivable (Net)	67,474	-	67,474	82,412
Receivables from International Affiliates	36,000	-	36,000	81,863
Pledges Receivable (Net)	1,464,885	761,088	2,225,973	3,316,350
Bequests Receivable	-	450,000	450,000	973,640
Inventory	1,533,000	-	1,533,000	3,235,446
Prepaid Expenses and Other Assets	1,279,884	-	1,279,884	195,297
Property and Equipment (Net)	93,450	-	93,450	98,145
<b>TOTAL ASSETS</b>	<b>\$ 11,956,659</b>	<b>\$ 4,656,178</b>	<b>\$ 16,612,837</b>	<b>\$ 20,657,813</b>
<b>LIABILITIES AND NET ASSETS</b>				
<b>LIABILITIES:</b>				
Accounts Payable and Accrued Liabilities	\$ 1,401,798	\$ -	\$ 1,401,798	\$ 3,323,361
Deferred Revenue	-	-	-	100,000
Payables to International Affiliates	-	-	-	842
<b>TOTAL LIABILITIES</b>	<b>1,401,798</b>	<b>-</b>	<b>1,401,798</b>	<b>3,424,203</b>
<b>NET ASSETS:</b>				
Unrestricted:				
Unrestricted Undesignated	9,459,328	-	9,459,328	8,558,056
Unrestricted Board Designated	1,095,533	-	1,095,533	1,094,650
<b>TOTAL UNRESTRICTED NET ASSETS</b>	<b>10,554,861</b>	<b>-</b>	<b>10,554,861</b>	<b>9,652,706</b>
Temporarily Restricted	-	4,656,178	4,656,178	7,580,904
<b>TOTAL NET ASSETS</b>	<b>10,554,861</b>	<b>4,656,178</b>	<b>15,211,039</b>	<b>17,233,610</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 11,956,659</b>	<b>\$ 4,656,178</b>	<b>\$ 16,612,837</b>	<b>\$ 20,657,813</b>

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

**STARLIGHT CHILDREN'S FOUNDATION  
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**CONSOLIDATED STATEMENT OF ACTIVITIES**  
Year Ended March 31, 2010  
With Summarized Totals for the Year Ended March 31, 2009

	2010			2009 Total
	Unrestricted	Temporarily Restricted	Total	
<b>REVENUE AND SUPPORT:</b>				
<b>Special Events:</b>				
Gross Receipts	\$ 4,937,979	\$ 282,206	\$ 5,220,185	\$ 5,672,987
Less: Direct Benefit to Donors	(1,252,218)		(1,252,218)	(1,497,357)
<b>NET SPECIAL EVENTS REVENUE</b>	3,685,761	282,206	3,967,967	4,175,630
Contributions	3,264,230	2,490,831	5,755,061	7,590,461
Contributed Goods, Services and Use of Facilities	5,085,864	-	5,085,864	6,700,010
Investment Income (Loss)	287,318	-	287,318	(222,123)
Assessments and Sales to International Affiliates	371,250	-	371,250	50,750
Miscellaneous	25,994	-	25,994	96,145
Net Assets Released from:				
Purpose Restrictions	3,800,992	(3,800,992)	-	-
Time Restrictions	1,896,771	(1,896,771)	-	-
<b>TOTAL REVENUE AND SUPPORT</b>	18,418,180	(2,924,726)	15,493,454	18,390,873
<b>EXPENSES:</b>				
<b>Program Services:</b>				
Crohn's/Colitis	50,598	-	50,598	171,808
Fun Centers	2,279,259	-	2,279,259	2,829,979
Get Fit Get Right	68,660	-	68,660	155,913
Great Escapes	4,217,841	-	4,217,841	5,217,529
Hospital Happenings	2,078,487	-	2,078,487	3,629,149
PC Pals	440,738	-	440,738	797,541
Starbright World	624,067	-	624,067	423,134
Starlight Sites	344,916	-	344,916	420,398
Other Programs	3,089,836	-	3,089,836	4,560,122
<b>TOTAL PROGRAM SERVICES</b>	13,194,402	-	13,194,402	18,205,573
Management and General Fundraising	1,423,452	-	1,423,452	1,595,914
	2,898,171	-	2,898,171	3,671,763
<b>TOTAL EXPENSES</b>	17,516,025	-	17,516,025	23,473,250
<b>CHANGE IN NET ASSETS</b>	902,155	(2,924,726)	(2,022,571)	(5,082,377)
Net Assets - Beginning of Year	9,652,706	7,580,904	17,233,610	22,315,987
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 10,554,861</u>	<u>\$ 4,656,178</u>	<u>\$ 15,211,039</u>	<u>\$ 17,233,610</u>

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

**STARLIGHT CHILDREN'S FOUNDATION  
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CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES  
Year Ended March 31, 2010  
With Summarized Totals for the Year Ended March 31, 2009

	Crohn's/Colitis	Fun Centers	Get Fit Get Right	Great Escapes	Hospital Happenings	PC Pals	Starbright World	Starlight Sites	Other Programs	Total Program Services	Management and General	Fundraising	Total	2009 Total
Direct Program Goods, Services and Use of Facilities	\$ 37,850	\$ 1,538,306	\$ 51,360	\$ 3,054,020	\$ 1,416,170	\$ 328,528	\$ 466,828	\$ 251,816	\$ 2,271,536	\$ 9,416,414	\$ 453	\$ -	\$ 9,416,867	\$ 13,706,103
<b>TOTAL DIRECT PROGRAM</b>	37,850	1,538,306	51,360	3,054,020	1,416,170	328,528	466,828	251,816	2,271,536	9,416,414	453	-	9,416,867	13,706,103
Advertising	89	3,981	121	8,233	1,730	789	1,099	594	1,115	17,751	3,282	8,371	29,404	58,065
Bad Debt Expense	-	-	-	-	-	-	-	-	-	-	17,735	-	17,735	130,000
Bank Charges	-	1,342	-	1,869	1,295	-	-	-	943	5,449	35,258	11,452	52,159	92,376
Depreciation	114	5,081	155	7,889	3,760	992	1,408	763	2,600	22,762	4,067	9,826	36,655	39,689
Equipment Rental and Repair	87	4,753	118	7,786	4,613	768	1,069	613	3,978	23,785	5,441	10,548	39,774	51,277
Events	-	-	-	-	-	-	-	-	-	-	-	381,184	381,184	579,642
Fundraising	-	-	-	-	-	-	-	-	-	-	-	616,369	616,369	291,695
Insurance	235	12,942	319	18,687	8,494	2,054	2,896	1,594	8,168	55,389	15,679	22,709	93,777	97,926
Miscellaneous	177	9,168	240	14,639	6,231	1,548	2,186	1,303	11,444	46,936	91,028	63,310	201,274	283,581
Office Supplies	50	5,329	68	10,243	5,772	445	616	380	4,538	27,441	8,777	18,928	55,146	71,897
Postage	18	1,422	25	3,767	2,100	159	224	138	1,817	9,670	1,829	14,226	25,725	62,487
Printing and Publications	44	2,495	60	4,100	1,945	405	546	303	716	10,614	3,537	28,169	42,320	128,708
Professional Services	10	3,343	13	7,023	2,993	116	118	78	139	13,833	309,832	37,662	361,327	1,326,305
Public Relations	-	3,522	-	5,192	7,817	-	-	353	24,819	41,703	14,286	23,688	79,677	4,573
Rent	1,088	77,037	1,477	121,733	76,796	9,638	13,423	8,029	82,270	391,491	98,877	176,734	667,102	699,367
Salaries and Employee Benefits	10,649	582,828	14,450	907,309	494,386	93,627	131,343	76,079	557,826	2,868,497	643,543	1,317,922	4,829,962	5,546,724
Telephone	166	10,505	226	17,757	8,309	1,479	2,052	1,140	5,696	47,330	10,659	25,691	83,680	97,706
Travel and Automobile	21	1,508	28	4,459	1,243	190	259	160	1,630	9,498	3,056	25,822	38,376	82,945
Visibility Campaign	-	15,697	-	23,135	34,833	-	-	1,573	110,601	185,839	156,113	105,560	447,512	122,184
<b>TOTAL 2010 FUNCTIONAL EXPENSES</b>	\$ 50,598	\$ 2,279,259	\$ 68,660	\$ 4,217,841	\$ 2,078,487	\$ 440,738	\$ 624,067	\$ 344,916	\$ 3,089,836	\$ 13,194,402	\$ 1,423,452	\$ 2,898,171	\$ 17,516,025	
										75%	8%	17%	100%	
<b>TOTAL 2009 FUNCTIONAL EXPENSES</b>	\$ 171,808	\$ 2,829,979	\$ 155,913	\$ 5,217,529	\$ 3,629,149	\$ 797,541	\$ 423,134	\$ 420,398	\$ 4,560,122	\$ 18,205,573	\$ 1,595,914	\$ 3,671,763	\$ 23,473,250	

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

**STARLIGHT CHILDREN'S FOUNDATION  
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**CONSOLIDATED STATEMENT OF CASH FLOWS  
Year Ended March 31, 2010**

With Summarized Totals for the Year Ended March 31, 2010

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in Net Assets	\$ (2,022,571)	\$ (5,082,377)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by (Used in) Operating Activities:		
Contributed Facilities Expense (Non-Cash)	72,360	-
Contributed Inventory (Non-Cash)	(2,447,581)	(3,942,247)
Contributed Inventory Expense (Non-Cash)	2,727,799	5,487,586
Contributed Property and Equipment (Non-Cash)	(12,527)	-
	340,051	1,545,339
<b><i>Net Contributed Activity (Non-Cash)</i></b>		
Depreciation	36,655	39,689
Realized and Unrealized (Gains) Losses on Investments	(253,214)	385,806
Bad Debt Expense	-	130,000
Loss on Disposal of Property and Equipment	680	-
(Increase) Decrease in:		
Accounts Receivable	14,938	(6,828)
Receivables from International Affiliates	45,863	340,247
Pledges Receivable	1,018,017	2,290,060
Bequests Receivable	523,640	(973,640)
Inventory (Other than Contributed)	1,422,228	(135,977)
Prepaid Expenses and Other Assets	(1,084,587)	61,828
Increase (Decrease) in:		
Accounts Payable and Accrued Liabilities	(1,921,563)	1,529,459
Deferred Revenue	(100,000)	100,000
Payables to International Affiliates	(842)	(12,601)
	<b><i>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</i></b>	<b><i>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</i></b>
	(1,980,705)	211,005
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Proceeds from Sale of Investments	1,576,074	982,418
Purchase of Investments	(1,649,863)	(988,606)
Reinvestment of Interest and Dividends	(15,612)	(42,581)
Purchase of Property and Equipment	(20,113)	(41,783)
	<b><i>NET CASH USED IN INVESTING ACTIVITIES</i></b>	<b><i>NET CASH USED IN INVESTING ACTIVITIES</i></b>
	(109,514)	(90,552)
	<b><i>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</i></b>	<b><i>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</i></b>
	(2,090,219)	120,453
Cash and Cash Equivalents - Beginning of Year	10,389,688	10,269,235
	<b><i>CASH AND CASH EQUIVALENTS - END OF YEAR</i></b>	<b><i>CASH AND CASH EQUIVALENTS - END OF YEAR</i></b>
	\$ 8,299,469	\$ 10,389,688

The Accompanying Notes are an Integral Part of These Consolidated Financial Statements

**STARLIGHT CHILDREN'S FOUNDATION  
AND U.S. CHAPTERS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2010**

**NOTE 1 - ORGANIZATION**

For more than 25 years, Starlight Children's Foundation and U.S. Chapters (the Foundation) has dedicated itself to improving the quality of life for children with serious medical conditions by providing entertainment, education and family activities that help them cope with the pain, fear and isolation of prolonged illness.

The Foundation understands what families go through when a child is sick, and how important it is to find relief from worry and isolation. The Foundation's programs have been proven to distract children from their pain, help them better understand and cope with their illnesses, and connect families with others facing similar challenges so that no one feels alone.

Unlike any other charity, the Foundation offers a comprehensive menu of outpatient, hospital-based and Web offerings that enable them to provide ongoing support for children and families - from diagnosis through the entire course of medical treatment. The Foundation's programs serve children and teens suffering from a wide-range of chronic and life-threatening illnesses and life-altering injuries such as cancer, cystic fibrosis, heart disease, asthma, kidney disease, sickle cell disease and burn injuries. Programs include:

- Playrooms, kid-friendly treatment rooms, admit kits, Parties-In-A-Box and special events help ease the loneliness, fear and boredom that accompany hospital stays. The Foundation has built more than 100 Starlight Site™ children's playrooms, teen lounges, care rooms, waiting rooms and playgrounds in hospitals nationwide that provide children with inviting places to play, relax and connect, or to receive treatments in a warm, comforting environment. Additionally, the Foundation brings fun-filled Hospital Happenings® involving admit kits, Parties-In-A-Box, musicians, clowns and other entertainers to pediatric hospital patients - even those who are bedridden - to provide a morale boost and important social interaction.
- In-hospital entertainment technology like the Foundation's Fun Center™ mobile entertainment units and specially designed PC Pal® laptops help kids fill hours in hospitals or treatment centers with therapeutic fun; find distraction during long or painful medical procedures; access the Foundation's online educational programs and communities; and stay connected with the outside world and keep up with school work during extended hospitalizations.
- Family activities and outings are offered monthly to give families a chance to have fun together away from the hospital so they can relax, regroup and return home with a renewed sense of strength and hope. These Great Escape™ events also forge important connections between families struggling with similar issues to combat feelings of isolation.

**STARLIGHT CHILDREN'S FOUNDATION  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2010**

**NOTE 1 - ORGANIZATION** (continued)

- Online communities and interactive websites help seriously ill teens connect with each other and find tips and strategies for coping with their medical conditions. *Starbright World*<sup>®</sup> ([www.starbrightworld.org](http://www.starbrightworld.org)) is an online social network for all seriously ill teens and their teen-aged siblings created to connect kids who are going through similar experiences so that no one feels alone. Members chat; document their stories; journal their thoughts; express themselves through photos and personalized profiles; describe their experiences; and have fun participating in contests and playing games. The site is professionally moderated by Starlight staff.
- Educational programming - delivered via online interactive games, ezines, webisodes, a comic book and websites - helps sick children understand common hospital procedures and manage illnesses and injuries such as cancer, sickle cell, cystic fibrosis, asthma, Crohn's and colitis, severe burns and kidney disease. These programs combat feelings of fear and uncertainty that often accompany illness with fact-based knowledge presented in an engaging and age-appropriate format.

The Foundation provides ongoing support to children, parents and siblings in all U.S. states and Canadian provinces, as well as internationally through affiliates in Australia, Japan and the United Kingdom. The Headquarters office is located in Los Angeles, California. At March 31, 2010 and 2009, Headquarters had field operations in Georgia, Arizona, California, Texas, Florida, Minnesota, Nevada, New England and Oregon. At March 31, 2010 and 2009, there were also five U.S. chartered chapters (the U.S. chapters): Colorado, MidAtlantic, Midwest, New York/New Jersey/Connecticut and Washington. Each chapter is independently governed by a Board of Directors operating under the Foundation's standards and is responsible for its own fundraising, financial reporting and related tax filing obligations.

Research studies have found that the Foundation's programs help reduce children's pain while helping them to better deal with, understand and manage their illnesses. In addition, the Foundation's programs help the child, parents and siblings experience less depression, anxiety, pain and isolation and bond as a family.

While doctors work to restore a child's health, the Foundation works to restore the entire family's spirit.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**(a) BASIS OF CONSOLIDATION**

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting.

The consolidated financial statements include the accounts of Starlight Children's Foundation (Headquarters) and its five U.S. Chapters. All significant inter-chapter transactions and balances have been eliminated on consolidation. International affiliates are not included in the accompanying consolidated financial statements as such inclusion would not be meaningful to the U.S. operations of the Foundation.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(b) ACCOUNTING**

To ensure observance of certain constraints and restrictions placed on the use of resources, the accounts of the Foundation are maintained in accordance with the principles of net assets accounting. This is the procedure by which resources for various purposes are classified for accounting and reporting purposes into net asset classes that are in accordance with specified activities or objectives. Accordingly, all financial transactions have been recorded and reported by net asset class as unrestricted, temporarily restricted, or permanently restricted.

- **Unrestricted Undesignated.** Unrestricted net assets generally result from revenues generated by receiving unrestricted contributions, providing services, and receiving income from investments less expenses incurred in providing program related services, raising contributions, and performing administrative functions. The Foundation had \$9,459,328 of unrestricted undesignated net assets at March 31, 2010.
- **Unrestricted Board Designated.** These are comprised of resources which the Board of Directors has designated for specific strategic initiatives and projects of the Board. Board designated net assets that are designated for particular programs or capital projects are not considered part of the Foundation's endowments. For purposes of complying with net assets accounting, these funds are included in unrestricted net assets at March 31, 2010 with a balance of \$1,095,533.
- **Temporarily Restricted.** The Foundation reports gifts of cash and other assets as temporarily restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from purpose or time restrictions. The Foundation had \$4,656,178 of temporarily restricted net assets at March 31, 2010.
- **Permanently Restricted.** Permanently restricted net assets are received from donors who stipulate that resources are to be maintained permanently, but permit the Foundation to expend all of the income (or other economic benefits) derived from the donated assets. The Foundation had no permanently restricted net assets at March 31, 2010.

**(c) CASH AND CASH EQUIVALENTS**

The Foundation considers all highly liquid debt instruments purchased with original maturities of three months or less to be cash and cash equivalents. The carrying value of cash and cash equivalents approximates its fair value at March 31, 2010.

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(c) CASH AND CASH EQUIVALENTS** (continued)

The Foundation maintains its cash and cash equivalents in bank deposit accounts and other investment accounts, which, at times, may exceed federally insured limits. The Foundation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

**(d) INVESTMENTS**

Investments in equity and debt securities with readily determinable market values are reported at fair value. The fair value of these investments is determined based on the closing price on the last business day of the fiscal year. Investments in limited partnerships, for which there is no readily available market, are valued by the Foundation using methods that management believes provide a reasonable estimate of fair value. These methods include initial due diligence and ongoing monitoring by management, as well as reference to the net asset value per share as reported by the partnership. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Interest and dividend income is recorded when earned. Gains or losses (including investments bought, sold, and held during the year), and interest and dividend income are reflected in the consolidated statement of activities as increases or decreases in unrestricted net assets unless their use is restricted by donor stipulations or by law.

Investment securities, in general, are exposed to various risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain long-term investments, it is reasonably possible that changes in the values of these investments will occur in the near term and that such changes could materially affect the amounts reported in the consolidated statement of financial position.

Investments are made according to the investment policies, guidelines, and objectives adopted by the Foundation's Board of Directors and the Boards of Directors of the U.S. Chapters. These guidelines provide for investments in equities, fixed income, and other securities with performance measured against appropriate indices. The investments are generally managed by outside investment managers contracted by the Foundation and U.S. Chapters. Market values of such investments and credit ratings of bond issuers are routinely reviewed by the respective Boards of Directors.

**(e) ACCOUNTS RECEIVABLE**

Receivables are recorded when billed or accrued and represent claims against third parties that will be settled in cash. The carrying value of receivables, net of the allowance for doubtful accounts, if any, represents its estimated net realizable value. The allowance for doubtful accounts, if any, is estimated based on historical collection trends, type of customer, the age of outstanding receivables and existing economic conditions. If events or changes in circumstances indicate that specific

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**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

(e) **ACCOUNTS RECEIVABLE** (continued)

receivable balances may be impaired, further consideration is given to the collectibility of those balances and the allowance is adjusted accordingly. Past due receivable balances are written-off when internal collection efforts have been unsuccessful in collecting the amount due. At March 31, 2010, the Foundation evaluated the collectibility of accounts receivable and established an allowance for uncollectible accounts receivable in the amount \$10,000.

(f) **BEQUESTS RECEIVABLE**

The Foundation has been named as a beneficiary in certain bequests. Bequests are recognized as support when the following conditions are met: the demise of the testator, the amount of the bequest is known, the Foundation is certain that, based on the estate's net assets, the amount bequeathed is realizable and the probate court has declared the will valid.

(g) **CONTRIBUTIONS AND PLEDGES RECEIVABLE**

Unconditional contributions, including pledges, are recorded at estimated fair value, and recognized as revenues in the period received. The Foundation reports unconditional contributions as restricted support if they are received with donor stipulations that limit the use of the donated assets. At March 31, 2010, the Foundation evaluated the collectibility of pledges receivable and established an allowance for uncollectible pledges in the amount of \$35,000.

Pledges receivable at March 31, 2010 are expected to be collected as follows for the years ending March 31:

<b>Years Ending March 31</b>	
2011	\$ 1,889,466
2012	255,694
2013	91,693
2014	<u>24,120</u>
<b>TOTAL</b>	<b>2,260,973</b>
Less: Allowance for Uncollectible Pledges	<u>(35,000)</u>
<b>PLEDGES RECEIVABLE (NET)</b>	<b><u>\$ 2,225,973</u></b>

**STARLIGHT CHILDREN'S FOUNDATION  
AND U.S. CHAPTERS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(h) INVENTORY**

Inventory is comprised of personal computers, videogame players, monitors and other electronics that make-up the "Fun Centers," "PC Pals," and toys and other materials collected for distribution. Purchased inventory is stated at the lower of cost (specific identification) or market. Donated inventory is recorded at fair market value at the time of donation.

**(i) PROPERTY AND EQUIPMENT**

Property and equipment are recorded at cost if purchased or at fair value at the date of donation if donated. Depreciation is computed on the straight-line basis over the estimated useful lives of the related assets. Maintenance and repair costs are charged to expenses as incurred. Property and equipment are capitalized if the cost of an asset is greater than or equal to \$5,000 and the useful life is greater than one year. The estimated useful lives of property and equipment are as follows:

Software and Computers	5 Years
Furniture and Equipment	7 Years
Office Equipment	5 Years

**(j) LONG-LIVED ASSETS**

The Foundation reviews the carrying values of its long-lived assets for possible impairment whenever events or changes in circumstances indicate that the book value of the assets may not be recoverable. An impairment loss is recognized when the sum of the undiscounted future cash flows is less than the carrying amount of the asset, in which case a write-down is recorded to reduce the related asset to its estimated fair value. No impairment losses were recognized during the year ended March 31, 2010.

**(k) CONTRIBUTED GOODS, SERVICES, AND USE OF FACILITIES**

Contributions of donated non-cash assets are recorded at fair value in the period received. Contributions of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at fair value in the period received. Contributed goods generally consist of toys, videos, DVD's, airline tickets, hotel accommodations, theme park admissions, and other tangible goods. The Foundation received \$5,085,864 of contributed goods, services and use of facilities for the year ended March 31, 2010 (See Note 6).

**STARLIGHT CHILDREN'S FOUNDATION  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(l) DEFERRED REVENUE**

Fees for services, which are received in advance, are deferred and recognized as income in the period in which the related services are performed.

**(m) ADVERTISING COSTS**

Advertising costs are expensed as incurred. Advertising costs for the year ended March 31, 2010 were \$29,404.

**(n) INCOME TAXES**

The Foundation and each of its five U.S. Chapters are exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Service Code and corresponding state provisions.

**(o) USE OF ESTIMATES**

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets, liabilities, revenues and expenses as of the date and for the period presented. Accordingly, actual results could differ from those estimates.

**(p) FUNCTIONAL ALLOCATION OF EXPENSES**

The costs of providing the Foundation's programs and other activities have been presented in the consolidated statement of functional expenses. During the year, such costs are accumulated into separate groupings as either direct or indirect. Indirect or shared costs are allocated among program and support services by a method that best measures the relative degree of benefit. The Foundation allocates indirect costs by full time equivalents under each activity.

**(q) COMPARATIVE TOTALS**

The consolidated financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's consolidated financial statements for the year ended March 31, 2009 from which the summarized information was derived.

**STARLIGHT CHILDREN'S FOUNDATION  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2010**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES** (continued)

**(r) FASB ACCOUNTING STANDARDS CODIFICATION**

In June 2009, the Financial Accounting Standards Board (FASB) issued the FASB Accounting Standards Codification (the ASC). The ASC has become the single source of non-governmental accounting principles generally accepted in the United States (GAAP) recognized by the FASB in preparation of financial statements. The Foundation adopted the ASC as of March 31, 2010. The ASC does not change GAAP and did not have an effect on the Foundation's consolidated financial position, results of operations or cash flows.

**(s) SUBSEQUENT EVENTS**

The Foundation has evaluated events and transactions occurring subsequent to the statement of financial position date of March 31, 2010 for items that should potentially be recognized or disclosed in these consolidated financial statements. The evaluation was conducted through October 6, 2010, the date these consolidated financial statements were available to be issued. No such material events or transactions were noted to have occurred.

**NOTE 3 - INVESTMENTS**

The Foundation has implemented the fair value accounting standard for those assets that are re-measured and reported at fair value at each reporting period. This standard establishes a single authoritative definition of fair value, sets out a framework for measuring fair value based on inputs used, and requires additional disclosures about fair value measurements. The standard applies to fair value measurements already required or permitted by existing standards.

In general, fair values determined by Level 1 inputs utilize quoted prices (unadjusted) in active markets for identical assets. Fair values determined by Level 2 inputs utilize data points that are observable such as quoted prices, interest rates and yield curves. Fair values determined by Level 3 inputs are unobservable data points for the asset and include situations where there is little, if any, market activity for the asset.

**STARLIGHT CHILDREN'S FOUNDATION  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2010**

**NOTE 3 - INVESTMENTS** (continued)

The following table presents information about the Foundation's assets that are measured at fair value on a recurring basis at March 31, 2010 and indicates the fair value hierarchy of the valuation techniques utilized to determine such fair value:

	Year Ended March 31, 2010	Fair Value Measurements Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Equity Securities	\$ 38,878	\$ 38,878	\$ -	\$ -
Mutual Funds	426,361	426,361	-	-
Certificates of Deposit and Commercial Paper	1,399,863	-	1,399,863	-
Limited Partnership Interests	762,485	-	-	762,485
<b>TOTAL INVESTMENTS</b>	<b>\$ 2,627,587</b>	<b>\$ 465,239</b>	<b>\$ 1,399,863</b>	<b>\$ 762,485</b>

The fair value of the marketable securities within Level 1 was obtained based on quoted market prices at the closing of the last business day of the fiscal year.

The certificates of deposit and commercial paper are valued at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer.

The Foundation uses net asset value (NAV) to determine the fair value of investments which (1) do not have a readily determinable fair value and (2) prepare their financial statements consistent with the measurement principles of an investment company or have the attributes of an investment company.

The Foundation has adopted the amended guidance in ASC 820, *Fair Value Measurements and Disclosures*, in its March 31, 2010 financial statements. The new guidance effects how the Foundation measures the fair value of investments in certain entities that do not have a quoted market price but calculate net asset value (NAV) per share or its equivalent. As a practical expedient, the amendments permit the Foundation to measure the fair value of an investment in an investee within the scope of the amendments based on the investee's NAV per share or its equivalent. Adoption did not have a material impact on the fair value determination of the Foundation's interest in the limited partnership within Level 3. The limited partnership invests in private investment companies and other investment vehicles, which in turn invest primarily in long and short equities. The Foundation has no unfunded commitments at March 31, 2010 and redemptions can be made annually with 65 days notice.

**STARLIGHT CHILDREN'S FOUNDATION  
AND U.S. CHAPTERS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2010**

**NOTE 3 - INVESTMENTS** (continued)

The following is a rollforward of the investments within Level 3 for the year ended March 31, 2010:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
Beginning Balance	\$ 952,390
Purchases	250,000
Redemptions	(601,962)
Net Realized and Unrealized Gains (Losses)	162,057
<b><i>ENDING BALANCE</i></b>	<b><i>\$ 762,485</i></b>

Net investment income for the year ended March 31, 2010 consists of the following:

Interest and Dividends	\$ 34,104
Realized and Unrealized Gains	253,214
<b><i>NET INVESTMENT INCOME</i></b>	<b><i>\$ 287,318</i></b>

**NOTE 4 - PROPERTY AND EQUIPMENT**

Property and equipment consist of the following:

Software and Computers	\$ 225,476
Furniture and Equipment	135,963
Office Equipment	57,130
<b><i>TOTAL</i></b>	418,569
Less: Accumulated Depreciation	(325,119)
<b><i>PROPERTY AND EQUIPMENT (NET)</i></b>	<b><i>\$ 93,450</i></b>

Depreciation expense was \$36,655 for the year ended March 31, 2010.

**STARLIGHT CHILDREN'S FOUNDATION  
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NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2010

**NOTE 5 - ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

Accounts payable and accrued liabilities consist of the following:

Accounts Payable	\$ 307,676
Accrued Vacation	255,595
Accrued Expenses	763,010
Accrued Payroll	<u>75,517</u>
<b><i>TOTAL ACCOUNTS PAYABLE AND ACCRUED LIABILITIES</i></b>	<b><u>\$ 1,401,798</u></b>

**NOTE 6 - CONTRIBUTED GOODS, SERVICES AND USE OF FACILITIES**

Contributed goods, services and use of facilities are as follows:

Direct Program Goods	\$ 3,361,810
Direct Program Services	1,210,769
General and Administrative	18,776
Direct Program Use of Facilities	228,755
Rent	211,748
Fundraising	<u>54,006</u>
<b><i>TOTAL CONTRIBUTED GOODS, SERVICES AND USE OF FACILITIES</i></b>	<b><u>\$ 5,085,864</u></b>

Gross receipts from special events include certain contributed goods, services and use of facilities which are shown separately as special events income and expense and are not included above.

**NOTE 7 - COMMITMENTS**

The Foundation leases certain facilities and equipment under long-term operating lease agreements that expire through June 2013. Future minimum lease payments for leases that have a remaining non-cancelable term in excess of one year at March 31, 2010 are as follows:

Years Ending March 31	
2011	\$ 254,873
2012	88,868
2013	41,269
2014	<u>9,144</u>
<b><i>TOTAL</i></b>	<b><u>\$ 394,154</u></b>

Rent expense for the year ended March 31, 2010 was \$667,102.

**STARLIGHT CHILDREN'S FOUNDATION  
AND U.S. CHAPTERS**

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2010**

**NOTE 8 - TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets are restricted as follows:

Fun Centers	\$ 2,703,415
PC Pals	417,378
Starlight Sites	559,341
Starbright World	57,145
Great Escapes	69,628
Other	<u>42,496</u>
<b>TOTAL</b>	<b>3,849,403</b>
Time Restrictions	<u>806,775</u>
<b>TOTAL TEMPORARILY RESTRICTED NET ASSETS</b>	<b><u>\$ 4,656,178</u></b>

**NOTE 9 - DEFINED CONTRIBUTION PENSION PLANS**

Headquarters and several of its U.S. Chapters maintain 403(b) defined contribution pension plans and 401(k) pension plans with matching contributions ranging up to 7% of participant's salaries. Matching contributions totaled \$60,264 for the year ended March 31, 2010.

**NOTE 10 - FUNCTIONAL EXPENSES**

Other programs on the statement of functional expenses consist of the following:

NY*NJ*CT Pediatric Hospital Support Program	\$ 1,295,266
NY*NJ*CT Visibility Campaign	1,051,319
Miscellaneous	407,079
Chapter Support	71,010
Wishes	152,271
Admit Kits	67,697
Other Online	<u>45,194</u>
<b>TOTAL FUNCTIONAL EXPENSES</b>	<b><u>\$ 3,089,836</u></b>

**STARLIGHT CHILDREN'S FOUNDATION  
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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS  
March 31, 2010**

**NOTE 11 - RELATED PARTY TRANSACTIONS**

As discussed in Note 2(a), the accounts of the international affiliates are not included in the accompanying consolidated financial statements as inclusion of such amounts would not be meaningful to the U.S. operations of the Foundation. The following table summarizes certain financial information from the most recent audited (by other auditors) financial statements of the international affiliates.

	2010		
	Not Covered by Accompanying Independent Auditors' Report		
	Australia	United Kingdom	Canada
	Affiliate as of and for the Year Ended December 31, 2009 (AUS)	Affiliate as of and for the Year Ended March 31, 2010 (GBR)	Affiliate as of and for the Year Ended March 31, 2010 (CAD)
Total Assets	\$ 9,517,496	£10,621,669	\$ 2,197,927
Total Liabilities	\$ 1,349,477	£ 864,835	\$ 418,680
Net Assets	\$ 8,168,019	£ 9,756,834	\$ 1,779,247
Total Revenue	\$16,597,361	£ 6,993,104	\$ 4,217,377
Total Expenses	\$16,345,864	£ 6,914,783	\$ 4,907,406

The U.S. dollar equivalent of total revenue was approximately \$14,936,430 for the Australia affiliate for the year ended December 31, 2009, \$10,593,364 for the United Kingdom affiliate for the year ended March 31, 2010, and \$4,153,290 for the Canada affiliate for the year ended March 31, 2010. The audited financial statements for the affiliates are unqualified by their auditors.

The Japan Affiliate had no significant activities during the year ended April 30, 2010.

The Foundation provides Fun Center components to the international affiliates. During the year ended March 31, 2010, the Foundation received revenue from the international affiliates totaling \$371,250.

The NY\*NJ\*CT Chapter receives in-kind donated facilities and utilities from a company owned by a Board member. The donated facilities and services amounted to \$124,388 for the year ended March 31, 2010. The Chapter also paid the company \$74,172 for rent during the year ended March 31, 2010.

The MidAtlantic Chapter leases office space from a company whose president is also a Board member of the Chapter. Lease payments under this lease amounted to \$62,243 for the year ended March 31, 2010.

**STARLIGHT CHILDREN'S FOUNDATION  
AND U.S. CHAPTERS**

CONSOLIDATING INFORMATION

YEAR ENDED MARCH 31, 2010

**STARLIGHT CHILDREN'S FOUNDATION  
AND U.S. CHAPTERS**

CONSOLIDATING SCHEDULE OF FINANCIAL POSITION  
March 31, 2010  
With Summarized Totals at March 31, 2009

ASSETS	2010							Total Before Eliminations	Eliminations	Total	2009 Total
	Headquarters	Colorado	MidAtlantic	Midwest	NY*NJ*CT	Washington					
Cash and Cash Equivalents	\$ 2,496,850	\$ 82,770	\$ 364,166	\$ 568,067	\$ 4,508,241	\$ 279,375	\$ 8,299,469	\$ -	\$ 8,299,469	\$ 10,389,688	
Investments	1,438,741	-	-	313,068	875,778	-	2,627,587	-	2,627,587	2,284,972	
Accounts Receivable (Net)	29,465	-	-	-	38,009	-	67,474	-	67,474	82,412	
Receivables from International Affiliates	36,000	-	-	-	-	-	36,000	-	36,000	81,863	
Receivables from U.S. Chapters	88,779	-	-	-	-	-	88,779	88,779	-	-	
Receivables from Headquarters	-	723	2,691	1,096	2,778	1,286	8,574	8,574	-	-	
Pledges Receivable (Net)	1,864,876	-	10,295	6,480	103,122	241,200	2,225,973	-	2,225,973	3,316,350	
Bequests Receivable	-	-	-	-	450,000	-	450,000	-	450,000	973,640	
Inventory	539,956	74,864	36,668	69,288	116,992	695,232	1,533,000	-	1,533,000	3,235,446	
Prepaid Expenses and Other Assets	1,224,875	9,707	5,283	29,214	9,000	1,805	1,279,884	-	1,279,884	195,297	
Property and Equipment (Net)	73,403	12,527	-	-	4,642	2,878	93,450	-	93,450	98,145	
<b>TOTAL ASSETS</b>	<b>\$ 7,792,945</b>	<b>\$ 180,591</b>	<b>\$ 419,103</b>	<b>\$ 987,213</b>	<b>\$ 6,108,562</b>	<b>\$ 1,221,776</b>	<b>\$ 16,710,190</b>	<b>\$ 97,353</b>	<b>\$ 16,612,837</b>	<b>\$ 20,657,813</b>	
<b>LIABILITIES AND NET ASSETS</b>											
Accounts Payable and Accrued Liabilities	\$ 528,218	\$ 6,785	\$ 14,050	\$ 36,478	\$ 770,337	\$ 45,930	\$ 1,401,798	\$ -	\$ 1,401,798	\$ 3,323,361	
Deferred Revenue	-	-	-	-	-	-	-	-	-	100,000	
Payables to International Affiliates	-	-	-	-	-	-	-	-	-	842	
Payable to Headquarters or Other U.S. Chapters	8,574	250	-	86,400	-	2,129	97,353	97,353	-	-	
<b>TOTAL LIABILITIES</b>	<b>536,792</b>	<b>7,035</b>	<b>14,050</b>	<b>122,878</b>	<b>770,337</b>	<b>48,059</b>	<b>1,499,151</b>	<b>97,353</b>	<b>1,401,798</b>	<b>3,424,203</b>	
<b>NET ASSETS:</b>											
Unrestricted:											
Unrestricted Undesignated	2,624,968	146,890	348,186	766,962	4,639,805	932,517	9,459,328	-	9,459,328	8,558,056	
Unrestricted Board Designated	1,095,533	-	-	-	-	-	1,095,533	-	1,095,533	1,094,650	
<b>TOTAL UNRESTRICTED NET ASSETS</b>	<b>3,720,501</b>	<b>146,890</b>	<b>348,186</b>	<b>766,962</b>	<b>4,639,805</b>	<b>932,517</b>	<b>10,554,861</b>	<b>-</b>	<b>10,554,861</b>	<b>9,652,706</b>	
Temporarily Restricted	3,535,652	26,666	56,867	97,373	698,420	241,200	4,656,178	-	4,656,178	7,580,904	
<b>TOTAL NET ASSETS</b>	<b>7,256,153</b>	<b>173,556</b>	<b>405,053</b>	<b>864,335</b>	<b>5,338,225</b>	<b>1,173,717</b>	<b>15,211,039</b>	<b>-</b>	<b>15,211,039</b>	<b>17,233,610</b>	
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 7,792,945</b>	<b>\$ 180,591</b>	<b>\$ 419,103</b>	<b>\$ 987,213</b>	<b>\$ 6,108,562</b>	<b>\$ 1,221,776</b>	<b>\$ 16,710,190</b>	<b>\$ 97,353</b>	<b>\$ 16,612,837</b>	<b>\$ 20,657,813</b>	

See Independent Auditors' Report

**STARLIGHT CHILDREN'S FOUNDATION  
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CONSOLIDATING SCHEDULE OF ACTIVITIES  
Year Ended March 31, 2010  
With Summarized Totals for the Year Ended March 31, 2009

	2010							Total Before Eliminations	Eliminations	Total	2009 Total
	Headquarters	Colorado	MidAtlantic	Midwest	NY*NJ*CT	Washington					
<b>REVENUE AND SUPPORT:</b>											
Special Events											
Gross Receipts	\$ 1,586,864	\$ 253,763	\$ 552,947	\$ 396,264	\$ 1,787,645	\$ 360,496	\$ 4,937,979	\$ -	\$ 4,937,979	\$ 5,672,987	
Less: Direct Benefit to Donors	(345,352)	(41,923)	(116,917)	(111,586)	(416,513)	(219,927)	(1,252,218)	-	(1,252,218)	(1,497,357)	
<b>NET SPECIAL EVENTS REVENUE</b>	<b>1,241,512</b>	<b>211,840</b>	<b>436,030</b>	<b>284,678</b>	<b>1,371,132</b>	<b>140,569</b>	<b>3,685,761</b>	<b>-</b>	<b>3,685,761</b>	<b>4,175,630</b>	
Contributions	2,381,795	141,958	37,461	369,509	-	333,507	3,264,230	-	3,264,230	2,546,080	
Contributed Goods, Services and Use of Facilities	2,271,689	163,030	128,433	261,942	2,130,796	355,341	5,311,231	225,367	5,085,864	6,386,450	
Revenue from Headquarters or Other U.S. Chapters	484,513	34,595	43,906	33,927	14,257	30,839	642,037	642,037	-	-	
Investment Income (Loss)	30,231		617	62,529	193,941	-	287,318	-	287,318	(222,123)	
Assessments and Sales to International Affiliates	371,250	-	-	-	-	-	371,250	-	371,250	50,750	
Miscellaneous	7,803	227	(12,944)	-	30,558	350	25,994	-	25,994	96,145	
Net Assets Released from Purpose Restrictions	2,472,170	49,209	264,398	187,612	755,243	72,360	3,800,992	-	3,800,992	4,290,668	
Time Restrictions	1,567,253	-	15,768	-	313,750	-	1,896,771	-	1,896,771	3,735,134	
<b>TOTAL UNRESTRICTED REVENUE AND SUPPORT</b>	<b>10,828,216</b>	<b>600,859</b>	<b>913,669</b>	<b>1,200,197</b>	<b>4,809,677</b>	<b>932,966</b>	<b>19,285,584</b>	<b>867,404</b>	<b>18,418,180</b>	<b>21,058,734</b>	
<b>EXPENSES:</b>											
Program Services	7,608,813	426,635	404,305	735,774	4,198,740	687,539	14,061,806	867,404	13,194,402	18,205,573	
Management and General	561,627	59,072	164,004	62,706	509,064	66,979	1,423,452	-	1,423,452	1,595,914	
Fundraising	1,166,624	178,240	78,401	126,394	1,221,752	126,760	2,898,171	-	2,898,171	3,671,763	
<b>TOTAL EXPENSES</b>	<b>9,337,064</b>	<b>663,947</b>	<b>646,710</b>	<b>924,874</b>	<b>5,929,556</b>	<b>881,278</b>	<b>18,383,429</b>	<b>867,404</b>	<b>17,516,025</b>	<b>23,473,250</b>	
<b>CHANGE IN UNRESTRICTED NET ASSETS</b>	<b>1,491,152</b>	<b>(63,088)</b>	<b>266,959</b>	<b>275,323</b>	<b>(1,119,879)</b>	<b>51,688</b>	<b>902,155</b>	<b>-</b>	<b>902,155</b>	<b>(2,414,516)</b>	
Change in Restricted Net Assets:											
Special Events - Gross Receipts	113,084	-	-	-	169,122	-	282,206	-	282,206	-	
Contributions	1,502,741	70,000	190,753	121,946	605,391	-	2,490,831	-	2,490,831	5,357,941	
Net Assets Released from Purpose and Time Restrictions	(4,039,423)	(49,209)	(280,166)	(187,612)	(1,068,993)	(72,360)	(5,697,763)	-	(5,697,763)	(8,025,802)	
<b>CHANGE IN RESTRICTED NET ASSETS</b>	<b>(2,423,598)</b>	<b>20,791</b>	<b>(89,413)</b>	<b>(65,666)</b>	<b>(294,480)</b>	<b>(72,360)</b>	<b>(2,924,726)</b>	<b>-</b>	<b>(2,924,726)</b>	<b>(2,667,861)</b>	
<b>TOTAL CHANGE IN NET ASSETS</b>	<b>(932,446)</b>	<b>(42,297)</b>	<b>177,546</b>	<b>209,657</b>	<b>(1,414,359)</b>	<b>(20,672)</b>	<b>(2,022,571)</b>	<b>-</b>	<b>(2,022,571)</b>	<b>(5,082,377)</b>	
Net Assets - Beginning of Year	8,188,599	215,853	227,507	654,678	6,752,584	1,194,389	17,233,610	-	17,233,610	22,315,987	
<b>NET ASSETS - END OF YEAR</b>	<b>\$ 7,256,153</b>	<b>\$ 173,556</b>	<b>\$ 405,053</b>	<b>\$ 864,335</b>	<b>\$ 5,338,225</b>	<b>\$ 1,173,717</b>	<b>\$ 15,211,039</b>	<b>\$ -</b>	<b>\$ 15,211,039</b>	<b>\$ 17,233,610</b>	

See Independent Auditors' Report