

CHILDREN'S MIRACLE NETWORK 2009 ANNUAL REPORT



2009  
Annual  
Report



## CHAIRMAN'S MESSAGE



"Don't hope for a miracle. Make one." This statement declares the tagline of a recent movie chronicling the life of a father trying to find a cure for his two dying children. Such a storyline isn't just Hollywood hype—it's a scenario that plays out in Children's Miracle Network hospitals every day.

But as was so wisely stated, you can't just hope for miracles, you have to make them happen. In 2009, that's exactly what Children's Miracle Network hospitals did. From scientific breakthroughs for cancer treatments to new programs designed to curb childhood obesity, children's hospitals are making miracles possible for more than 17 million children each year.

Making miracles a reality requires the combined efforts of pediatric researchers and caregivers, and the collective power of corporations, organizations and individuals who help finance their important work. Partners of Children's Miracle Network hospitals helped raise \$227 million in 2009 for pediatric care, education and research.

To give you a little perspective on such a large number: \$227 million could fund cancer treatments for 3,026 children. (A cancer treatment averages \$75,000). Or, the \$227 million could provide emergency room visits for 536,643 kids. (Emergency room visits average \$423.)

Here's another huge number to ponder—Children's Miracle Network hospitals provide \$2.5 billion in charitable care each year. That represents the care they provide free of charge and doesn't include all the funds needed for specialized equipment, expert caregivers and the best possible treatments.

The bottom line is this—while we are proud and thankful to have achieved exceptional results this past year, we realize that the need to support children's hospitals continues to grow. Our commitment is to ensure that kids come first by building an ever-stronger network of compassionate organizations. By creating synergies among these stakeholders, we can truly make miracles happen at children's hospitals.

Mario Pilozzi  
Chairman  
Board of Trustees  
Children's Miracle Network

## MISSION CHILDREN'S MIRACLE NETWORK

We asked our social media friends and fans to define our mission. Here are a few examples of the ordinary people who see our mission in action every day.

CHILDREN'S MIRACLE NETWORK IS AN AMAZING ORGANIZATION THAT PROVIDED OUR NEONATAL ICU WITH NEW DEVELOPMENTALLY APPROPRIATE INCUBATORS & IV PUMPS!

*Sondra Masten Daroshefski*

CHILDREN'S MIRACLE NETWORK IS A FINANCIAL AND EMOTIONAL SUPPORT SYSTEM FOR CHILDREN WITH MEDICAL ISSUES AND THEIR FAMILIES. OR... A GOD SEND!

*Rhonda Foote*

... A WONDERFUL GROUP THAT HELPED TO SAVE OUR SON'S LIFE!

*Susan Frame Lemon*



News Feed

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Who is Children's Miracle Network?

MAKES MIRACLES HAPPEN AT CHILDRENS HOSPITALS FOR KIDS LIKE ME!

*Edna Cerritos*  
*(past champion)*

CMN HELPED FUND THE GIRAFFE INCUBATOR THAT MY SON LIVED IN FOR THE FIRST THREE WEEKS OF HIS LIFE AT BSA IN AMARILLO, TX.

*Carrie Conaway*

CHILDREN'S MIRACLE NETWORK IS HELPING SICK CHILDREN AND THEIR FAMILIES BY RAISING MONEY TO PROVIDE TREATMENT FOR SERIOUS ILLNESSES - AND IT STAYS LOCAL!

*Deb Casper*

*In 2009 Children's Miracle Network made great strides on the social media front. We have more than 50,000 fans on Facebook and Twitter, and it continues to grow.*

LEADERSHIP & PARTNERS



## LEADERSHIP

### BOARD OF TRUSTEES

Mario Pilozzi (Chair)	<i>President &amp; CEO (Retired), Wal-Mart Canada Corp.</i>
Dianna Morgan	<i>Senior Vice President, Public Affairs (Retired), Walt Disney World Company</i>
Tom Sargent	<i>President &amp; CEO, First Technology Credit Union</i>
Jim Shmerling, DHA	<i>President &amp; CEO, The Children's Hospital, Denver</i>
John Bozard	<i>President, Arnold Palmer Medical Center/Foundation</i>
Jimmy Alexander	<i>Vice President, Human Resources, Ace Hardware</i>
Jon Vice	<i>President &amp; CEO (Retired), Children's Health System of Wisconsin, Inc.</i>
Steven Altschuler, MD	<i>President &amp; CEO, The Children's Hospital of Philadelphia</i>
John Bel	<i>President, Arkansas Children's Hospital Foundation</i>
Don Black	<i>President, Child Health Corporation of America</i>
Kevin Churchwell, MD	<i>CEO &amp; Executive Director, Monroe Carell, Jr., Children's Hospital at Vanderbilt</i>
Nana Mensah	<i>Chairman &amp; CEO, 'XSPORTS, INC.</i>
Ora Pescovitz, MD	<i>CEO, University of Michigan Health System &amp; EVP of Medical Affairs at University of Michigan</i>
Marie Osmond	<i>Co-Founder, Children's Miracle Network</i>
Jimmy Osmond	<i>President, Osmond Entertainment</i>
John Schneider	<i>Co-Founder, Children's Miracle Network</i>
Ken Potrock	<i>Senior Vice President, Sports Enterprises, Walt Disney Parks &amp; Resorts</i>
Tom Sullivan	<i>President, Children's Memorial Foundation</i>
Steve Weisz	<i>President, Marriott Vacation Club International</i>
Pat Wyatt	<i>President, Creative Youth Xchange</i>

### EXECUTIVE STAFF

Scott J. Burt	<i>President &amp; CEO</i>
John Hartman	<i>Chief International Officer</i>
Brian Hazelgren	<i>Chief Development Officer</i>
Claire Richards	<i>Chief Financial Officer</i>
Craig Sorensen	<i>Chief Marketing Officer</i>

### CHILDREN'S MIRACLE NETWORK

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205 West 700 South  
Salt Lake City, Utah 84101  
PHONE: 801-214-7400  
FAX: 801-746-6688  
[ChildrensMiracleNetwork.org](http://ChildrensMiracleNetwork.org)



## HOSPITAL PARTNERS

Within Children's Miracle Network hospitals, funds are applied to the areas of greatest need. In some hospitals that may mean more research, for others it may be equipment, or for some it may be used to fund preventative programs to keep kids out of the hospital. However it's used, Children's Miracle Network funds are directly impacting the lives of sick and injured children.



### **CHILDREN'S MEMORIAL HOSPITAL PROGRAM IMPROVES CARE FOR OVERWEIGHT CHILDREN**

Children's Memorial Hospital in Chicago, Ill., kicked-off a two-year project in 2009 to improve caregivers' ability to manage overweight children both through screening, counseling and appropriate clinical services, as well as through successful referrals to community resources.



### **SICKKIDS SCIENTISTS DISCOVER POTENTIAL TREATMENT FOR BONE CANCER**

While recent advancements in cancer research have led to longer survival rates, there are still some cancers that are not responsive to existing treatments. Chondrosarcoma, a rare bone cancer that develops in the bone cartilage, is one of the cancers that is not effectively treated with chemotherapy. In 2009, scientists at The Hospital for Sick Children (SickKids) in Toronto, Canada, helped find a novel approach to treating this disease.



### **NEW "KID-FRIENDLY" CAST REMOVAL TOOL NOW AT SANFORD CHILDREN'S HOSPITAL**

After more than 20 years with very little innovation, the world of cast removal has changed. Sanford Children's Bone Clinic proudly unveiled a new tool for cast removal in 2009. With an operating sound level just above a whisper, and no vibration, the Quiet Cast Removal System alleviates anxiety due to noise and results in a much more pleasant experience to the child, parent and caregiver. Children's Miracle Network funds were used to purchase the new system.

## MEDIA PARTNERS

Television and radio stations around the world help raise awareness and funds for children's hospitals.



A KRAMERTX/Texas Children's Hospital

< Pictured to the left are Christi Brooks from the New 93Q in Houston, Texas, with patient Carlos Nino during Texas Children's Hospital's Cure Kids Cancer Radiothon.

v University of Missouri Children's Hospital patient Aaron Watkins dances with MU students during the university's Dance Marathon to raise funds for Children's Miracle Network.



^ A University of Iowa Children's Hospital patient does a live remote from her bed for the Mix 96.5 Radiothon event.



JUSTIN KELLEY/MU HEALTH CARE



> WJTV News Anchor Linda Allen, left, interviews Sara Jaronitzky of Seminary, right, and her daughter, Madison, during the 2009 telethon at Blair E. Batson Hospital for Children in May 2009.



## CORPORATE PARTNERS



## INTERNATIONAL

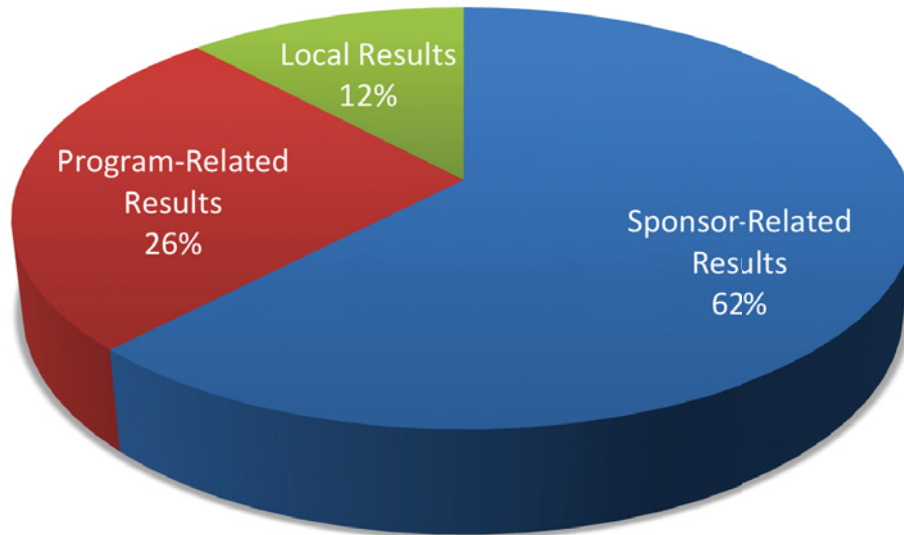


FUNDRAISING HIGHLIGHTS



## TOTAL 2009 FUNDRAISING

2009 TOTAL  
**\$227,390,425**



### SPONSOR-RELATED RESULTS

Sponsor-related results refers to any fundraising that is done in association with one of our 90 sponsors. It could be Miracle Balloon sales or a golf tournament. The list is endless regarding all that sponsors can do to raise funds for children's hospitals.

### PROGRAM-RELATED RESULTS

The fundraising programs of Children's Miracle Network include Radiothon, Telethon, Dance Marathon, Direct Mail, etc.



### LOCAL RESULTS

Many partner hospitals use the Children's Miracle Network brand and logo for fundraising efforts that may not include a national sponsor or program.

## YEAR OF MIRACLES TIMELINE



Miss America 2009  
Katie Stam



IHOP National  
Pancake Day



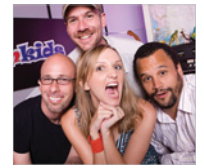
Champions Visit The  
White House



Speedway Campaign  
Breaks Records



Dr. Phil Appears On  
The Annual Telethon



Sirius XM Roadshow



Delta Miracle Awards  
Arnold Palmer



NICU Room Named  
For RE/MAX



Astral's Day Of Caring  
For Kids Radiothon



Dierks Bentley  
National Fundraiser



Walmart Walk  
For Miracles



Six Flags  
Walk In The Park

### JANUARY

Katie Stam was crowned **Miss America 2009** and became a Goodwill Ambassador for Children's Miracle Network.

### FEBRUARY

**IHOP** celebrated National Pancake Day by raising more than \$1.3 million.

The busy **Dance Marathon** season began in February at college campuses throughout the U.S. Highlights throughout the year include two marathons raising more than \$1 million and an overall 18 percent increase from the previous year.

### MARCH

**Champions Across America** met President Obama. **Walmart** is the presenting sponsor of the Champions program in the U.S. and Canada. **Foresters** sponsors Champions Across the United Kingdom.

Four medical professionals and golf legend Arnold Palmer were honored at the **Children's Miracle Awards**.

**Rite Aid** Associates celebrated "15 Years of Miracles" by selling Miracle Balloons at more than 4,900 stores nationwide.

Rainbow Babies & Children's Hospital recognized **RE/MAX** at the grand opening of its new Neonatal Intensive Care Unit. Within the NICU, a private room was named to honor RE/MAX, whose support of the hospital totals more than \$375,000.

**Speedway** completed a major golf event with its one-day total equaling more than \$600,000.

**Walt Disney World** served as host for the Children's Miracle Network Celebration event, which brought together thousands of sponsors, hospitals, media partners and Champion families.

### APRIL

**CMT ONE COUNTRY** partnered with Children's Miracle Network by joining forces with multi-platinum recording artist **Dierks Bentley** to bring his annual "Miles & Music For Kids" fundraiser nationwide.

Teammates from the **McLane** Cumberland Division in Nicholasville, KY, helped fund a Giraffe Bed Unit recently purchased for Kentucky Children's Hospital through its Workplace Giving campaign.

**Astral Media's** National Day of Caring for Kids **Radiothon** generated more than \$6.2 million for eight Children's Miracle Network markets in Canada.

### MAY

**SIRIUS XM Radio** launched the fourth annual Kids Place Live Traveling Road Show. Kids Place talent spoke with kids, families and members of each hospital community about their inspirational stories.

The "**Real Miracles**" sponsor recognition campaign ran in 100 markets.

**Costco** increased its Canadian results by \$1 million through the sale of Miracle Balloon icons, bringing its 2009 total to more than \$5.4 million. Combined with U.S. results, Costco raised more than \$17 million in 2009.

The Children's Miracle Network movie trailer was a box office hit showing on 2,400 screens at all **Carmike Cinemas** during the month of May.

**Circle K** increased its fundraising totals by 26 percent in 2009.

### JUNE

A new format and new talent (Dr. Phil, The Doctors, LeAnn Rimes, etc.) helped spread the mission of children's hospitals during the **Celebrate Real Miracles Telethon**.

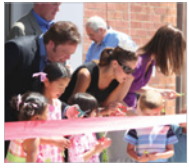
Children's Miracle Network and its hospital and sponsor partners were recognized in the Best Hospitals issue of **U.S. News and World Report**.

The **Outdoor Advertising Association of America** (OAAA) placed more than 1,221 outdoor boards in 46 markets with a value of more than \$3.1 million.

**Six Flags'** annual Walk in the Park raised \$412,894 for Cure Kids Cancer.

Held in 12 Canadian cities, the **Walmart Walk for Miracles** attracted more than 15,000 participants, raising more than \$1.4 million as part of its \$9 million effort in 2009.

## YEAR OF MIRACLES TIMELINE



Open House Of New National Headquarters



Giant Food Stores Golf Tournament



Xbox Gameroom Giveaway



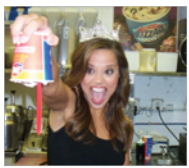
Chief Marketing Officer On CNBC



Torch Relay Crosses The Nation



Donny Osmond Dances For Miracles



Dairy Queen Miracle Treat Day



Ace Hardware Golf Shootout



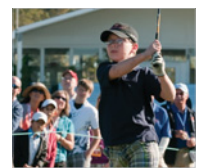
Miracle Jeans Day



Tiki Rocks The Square



Kellogg's Co-Brands Frosted Flakes



Children's Miracle Network Classic

### JULY

Children's Miracle Network opened the doors to its **new international headquarters** in downtown Salt Lake City.

The **Giant Food Stores** "Our Kids" Golf Outing event hosted more than 1,700 golfers and raised a record \$1.8 million.

"Real Miracles" **iPhone App** released to educate users and allow for simple donations.

Bustos Media LLC hosted its second **Hispanic Radiothon** and raised more than \$306,000 over a three-day Radiothon.

### AUGUST

On **DQ Miracle Treat Day**, more than 60 percent of DQ U.S. Operators and more than 99.7 percent of Canadian Operators contributed proceeds from all Blizzards sold.

The 12th annual **Ace Golf Shootout** presented by **Marriott** aired on the GOLF CHANNEL.

Border Media Partners raised close to \$160,000 for Dell Children's Medical Center of Central Texas in a first-time **Hispanic Radiothon**.

Sara McMahon, 15, won a **design contest sponsored by Pastry** by Vanessa and Angela Simmons. The award was a \$25,000 donation to Children's Healthcare of Atlanta, where she is treated for Reflex Sympathetic Dystrophy.

### SEPTEMBER

Thousands of news stories and online posts garnered more than 74 million impressions during the **Xbox Gameroom Giveaway** contest.

Hospitals, sponsors and media partners donned their blue jeans on **Miracle Jeans Day**. Fifteen sponsors, 132 hospital markets and 111 credit unions helped raise more than \$722,866.

More than 400 Blockbuster locations across Canada participated in their first-ever **WALK THE BLOCK FOR KIDS** walkathon raising \$230,000.

Chief Marketing Officer Craig Sorensen appeared as an in-studio guest on **CNBC** to discuss fundraising efforts in a difficult economy.

The third annual **Tiki Rocks The Square** fundraising event featured rapper Fabolous and pop/R&B singer Justin Bieber.

**Marriott** created a Packaged Goods campaign with Ben and Jerry's Ice Cream and raised nearly \$100,000 in 90 days.

Children's Miracle Network UK hosted the first-ever **Autumn Forum in Edinburgh**, attracting more than 30 hospitals, radio stations and charity partners.

### OCTOBER

The **Torch Relay** visited 43 cities across the U.S. The relay has raised more than \$5 million.

Donny Osmond appeared on *Dancing With The Stars* and launched a **Dancing For Miracles** website to help raise funds while he competed.

The **GOLF CHANNEL's Big Break series** returned and the winner won an exemption to the Children's Miracle Network Classic.

**Kellogg** released a special edition Frosted Flakes box featuring a Children's Miracle Network patient. For every four boxes sold in **Food Lion** and **Bloom** stores, \$1 was donated to Children's Miracle Network.

With the help of **Ace Hardware**, **Stanley Tools** and **Richard Petty Motorsports**, Kasey Kahne and Elliot Sadler both participated in Racing for a Miracle at Bristol Motor Speedway.

**Valero** raised more than \$1.57 million during its four-week campaign.

### NOVEMBER

The **Children's Miracle Network Classic** boasted record crowds and was broadcast on the GOLF CHANNEL.

### DECEMBER

**Amazon.com** launched its first-ever Holiday Giving Campaign. It reached out to its 90 million customers with e-mails and targeted messages based on shopping patterns to encourage donations to Children's Miracle Network.

**RE/MAX** in Canada and the United States raised more than \$7 million through its Miracle Home program and other events.

**Speedway** cut a check for \$4.3 million for its 2009 fundraising efforts, more than a million dollar increase.

A brand new state-of-the-art playground opened at MCG Children's Hospital in Augusta, Ga., thanks to funds raised through their **Radiothon**.

## HOSPITAL FUNDRAISING TOTALS



In February 2009, the new Sanford Children's Hospital in Sioux Falls, S.D., was unveiled and **The Walmart North Wing** was named in appreciation of the generous support of Walmart and Sam's Club associates. Associates raised more than \$1.3 million over 13 years for Sanford Children's Hospital.

U.S. MARKET	HOSPITAL NAME	TOTAL
Abilene-Sweetwater	Hendrick Medical Center	\$ 652,765
Akron	Akron Children's Hospital	1,692,376
Albany, GA	Phoebe Putney Memorial Hospital	185,087
Albany-Schenectady-Troy	Children's Hospital at Albany Medical Center	679,496
Albuquerque-Santa Fe	UNM Children's Hospital	1,007,908
Alexandria, LA	CHRISTUS St. Frances Cabrini Hospital	465,291
Amarillo	Baptist St. Anthony's Health System	387,981
Anchorage	The Children's Hospital at Providence	376,908
Atlanta	Children's Healthcare of Atlanta	5,041,741
Augusta	Medical College of Georgia Children's Medical Center	470,439
Austin	Dell Children's Medical Center of Central Texas	1,373,370
Bakersfield	Bakersfield Memorial Hospital	412,521
Baltimore	Johns Hopkins Children's Center	2,043,079
Bangor	The Acadia Hospital, The Aroostook Medical Center, Blue Hill Memorial Hospital, Sebasticook Valley Hospital, C.A. Dean Memorial Hospital, Eastern Maine Medical Center	444,840
Baton Rouge	Our Lady of the Lake Children's Hospital	444,269
Beaumont-Port Arthur	CHRISTUS Jasper Memorial Hospital, CHRISTUS Hospital - St. Elizabeth, CHRISTUS Hospital - St. Mary	498,952
Birmingham	Children's Hospital of Alabama	1,593,833
Boise	St. Luke's Children's Hospital	948,157
Boston	Children's Hospital Boston	2,158,019
Buffalo	Women & Children's Hospital of Buffalo	1,228,066
Burlington-Plattsburgh	Vermont Children's Hospital at Fletcher Allen Health Care	424,427
Cedar Rapids	University of Iowa Children's Hospital	3,446,454
Champaign-Springfield	St. John's Children's Hospital	659,704
Charleston, SC	Medical University of South Carolina Children's Hospital	601,459
Charleston-Huntington	West Virginia University Children's Hospital	1,254,402
Charlotte	Levine Children's Hospital	2,422,846
Charlottesville	University of Virginia Children's Hospital	329,568
Chattanooga	T.C. Thompson Children's Hospital	468,611
Chicago	Children's Memorial Hospital	5,751,198
Cincinnati	Cincinnati Children's Hospital Medical Center	651,161
Cleveland	Rainbow Babies & Children's Hospital	1,024,811
Columbia, SC	Palmetto Health Children's Hospital	717,873
Columbia-Jefferson City	MU Children's Hospital	454,625
Columbus, GA	The Medical Center	612,957
Columbus, OH	Nationwide Children's Hospital	1,521,681
Corpus Christi	Driscoll Children's Hospital	875,751
Dallas	Children's Medical Center	1,358,047
Dayton	The Children's Medical Center	1,183,078
Denver	The Children's Hospital	3,786,950
Detroit	Beaumont Children's Hospital	2,434,880
El Paso	University Medical Center Foundation of El Paso	203,581
Elmira	Arnot Ogden Medical Center	259,492

## HOSPITAL FUNDRAISING TOTALS

U.S. MARKET	HOSPITAL NAME	TOTAL
Erie	Saint Vincent Health Center	\$ 183,735
Eugene	Sacred Heart Medical Center	1,038,876
Fargo-Valley City	MeritCare Children's Hospital	714,945
Flint-Saginaw-Bay City	Hurley Medical Center	1,060,950
Florence-Myrtle Beach	McLeod Children's Hospital	746,263
Fresno-Visalia	Children's Hospital Central California	1,193,222
Ft. Worth	Cook Children's Medical Center	1,019,382
Gainesville-Daytona Beach	Shands Children's Hospital at the University of Florida	2,326,750
Grand Rapids	Helen DeVos Children's Hospital	1,159,121
Greenville, NC	University Health Systems Children's Hospital	1,081,148
Greenville, SC	Children's Hospital of Greenville Hospital System University Medical Center	1,091,589
Harrisburg-Lancaster	Penn State Hershey Children's Hospital at Penn State Hershey Medical Center	2,720,272
Hartford-New Haven	Connecticut Children's Medical Center	883,215
Helena	Shodair Children's Hospital	431,937
Honolulu	Kapi'olani Medical Center for Women & Children	756,484
Houston	Texas Children's Hospital	2,355,740
Indianapolis	Riley Hospital for Children	6,999,848
Jackson, MS	Blair E. Batson Hospital for Children at the University of Mississippi Medical Center	908,430
Jacksonville-Brunswick	UF & Shands Jacksonville, Wolfson Children's Hospital	868,208
Joplin-Pittsburg	Freeman Health System	729,273
Kansas City	KU Medical Center, Children's Mercy Hospitals and Clinics	1,463,551
Knoxville	East Tennessee Children's Hospital	1,146,054
La Crosse-Eau Claire	Gundersen Lutheran Health System	853,460
Lake Charles	CHRISTUS St. Patrick Hospital	431,986
Lansing	Sparrow Hospital	433,893
Las Vegas	St. Rose Dominican Hospitals	805,667
Lexington	Kentucky Children's Hospital	788,116
Little Rock-Pine Bluff	Arkansas Children's Hospital	3,431,480
Long Island	Schneider Children's Hospital a member of the North Shore-LIJ Health System	590,047
Los Angeles	Children's Hospital Los Angeles	4,946,622
Louisville	Kosair Children's Hospital	692,278
Lubbock	UMC Children's Hospital	965,656
Macon	The Children's Hospital at the Medical Center of Central Georgia	432,327
Medford-Klamath Falls	Rogue Valley Medical Center	505,872
Memphis	Le Bonheur Children's Medical Center	959,484
Miami-Ft. Lauderdale	Miami Children's Hospital	1,207,885
Milwaukee	Children's Hospital of Wisconsin	6,512,412
Minneapolis-St. Paul	Gillette Children's Specialty Healthcare	2,723,499
Mobile	University of South Alabama Children's & Women's Hospital	371,660
Monterey-Salinas	Salinas Valley Memorial Hospital	445,413
Nashville	Monroe Carell Jr. Children's Hospital at Vanderbilt	1,418,940
New Jersey	Children's Specialized Hospital	1,450,410



A teammate from the McLane Cumberland Division in Nicholasville, Ky., proudly shows off a **Giraffe Bed Unit** recently purchased for Kentucky Children's Hospital in Lexington, Ky., with funds raised from their Children's Miracle Network Workplace Giving campaign.

## HOSPITAL FUNDRAISING TOTALS



Through Children's Miracle Network funding, Sacred Heart Children's Hospital in Spokane, Wash., was able to purchase a new **Neonatal Transport ambulance**. The ambulance was affectionately named "Ruby." Ruby went into service on December 21, and her first trip was on December 22. Ruby cost \$250,000—all funded through Children's Miracle Network.

U.S. MARKET	HOSPITAL NAME	TOTAL
New Orleans	Children's Hospital - New Orleans	\$ 1,588,123
New York City	The Children's Hospital at Montefiore	576,473
Norfolk-Portsmouth	Children's Hospital of The King's Daughters	2,128,824
Odessa-Midland	Medical Center Hospital	388,203
Oklahoma City	Children's Hospital Foundation	1,287,723
Omaha	Children's Hospital & Medical Center	1,037,936
Orange County	CHOC Children's	1,050,282
Orlando	Arnold Palmer Hospital for Children, Shands Children's Hospital at the University of Florida	2,076,081
Pensacola	Sacred Heart Children's Hospital	603,243
Peoria-Bloomington	Children's Hospital of Illinois	1,062,594
Philadelphia	The Children's Hospital of Philadelphia	3,051,845
Phoenix	Phoenix Children's Hospital	3,510,530
Pittsburgh	Children's Hospital of Pittsburgh of UPMC	1,045,920
Portland, OR	Doernbecher Children's Hospital	1,806,610
Portland-Auburn	The Barbara Bush Children's Hospital at Maine Medical Center	528,270
Providence-New Bedford	Hasbro Children's Hospital	870,025
Raleigh-Durham	Duke Children's Hospital & Health Center	2,770,768
Rapid City	Rapid City Regional Hospital	375,760
Reno	Renown Children's Hospital	495,072
Richmond-Petersburg	Children's Hospital, VCU Children's Medical Center	843,637
Roanoke-Lynchburg	Carilion Clinic Children's Hospital, Virginia Baptist Hospital	1,041,916
Rochester, NY	Golisano Children's Hospital at Strong	741,827
Sacramento	UC Davis Children's Hospital	1,960,394
Salt Lake City	Primary Children's Medical Center	2,188,128
San Angelo	Shannon Medical Center	387,218
San Antonio	CHRISTUS Santa Rosa Children's Hospital	1,543,826
San Diego	Rady Children's Hospital	2,470,320
San Francisco-Oakland	Children's Hospital & Research Center Oakland	2,018,488
Santa Barbara	Santa Barbara Cottage Hospital	485,052
Savannah	Backus Children's Hospital at Memorial Health University Medical Center	767,352
Seattle-Tacoma	Seattle Children's Hospital	2,645,843
Sioux City	St. Luke's Regional Medical Center	373,582
Sioux Falls-Mitchell	Sanford Health USD Medical Center	1,271,062
Spokane	Kootenai Medical Center, Providence Holy Family Hospital, Providence Mt. Carmel Hospital, Providence Sacred Heart Children's Hospital, Providence St. Joseph's Hospital, St. Luke's Rehabilitation Institute	869,255
Springfield, MO	CoxHealth	1,132,527
Springfield-Holyoke	Baystate Children's Hospital	361,296
St. Louis	Cardinal Glennon Children's Medical Center, St. Louis Children's Hospital	2,119,169
Syracuse	Upstate Golisano Children's Hospital	944,134
Tampa-St. Petersburg	All Children's Hospital	3,523,233
Toledo	Mercy Children's Hospital	520,026



## HOSPITAL FUNDRAISING TOTALS

U.S. MARKET	HOSPITAL NAME	TOTAL
Topeka	St. Francis Health Center	\$ 228,535
Tri-Cities, TNVA	Wellmont Health System	570,868
Tucson	Tucson Medical Center	1,265,713
Tulsa	The Children's Hospital at Saint Francis	404,057
Tyler-Longview	Mother Frances Hospital	500,816
Utica	Faxton-St. Luke's Healthcare	495,979
Waco-Temple-Bryan	The Children's Hospital at Scott & White	999,368
Washington, DC	Children's National Medical Center	3,486,984
Watertown	Samaritan Medical Center	404,754
Wausau-Rhineland	Saint Joseph's Children's Hospital of Marshfield	558,236
Westchester	Maria Fareri Children's Hospital at Westchester Medical Center	543,868
Wichita Falls-Lawton	United Regional Health Care System	705,634
Wichita-Hutchinson Plus	Via Christi Wichita Health Network	968,331
Wilkes Barre-Scranton	The Janet Weis Children's Hospital at Geisinger	2,426,488
Yakima-Pasco-Richland	Yakima Valley Memorial Hospital	413,603



A **Continuous Positive Airway Pressure machine (CPAP)** purchased with Children's Miracle Network funds at United Regional Health Care System in Wichita Falls, Texas, helped save the life of Jaylee Stout who was born by emergency Caesarean section several weeks premature.

CANADA MARKET	HOSPITAL/FOUNDATION NAME	TOTAL
Calgary-Southern Alberta	Alberta Children's Hospital Foundation	\$ 2,080,610
Edmonton-Northern Alberta	Stollery Children's Hospital Foundation	3,912,876
Halifax-Maritimes	IWK - Health Centre Foundation	2,551,703
Hamilton	McMaster Children's Hospital	1,259,640
London-Western Ontario	Children's Health Foundation	2,064,048
Manitoba	Children's Hospital Foundation of Manitoba	1,649,758
Newfoundland-Labrador	Janeway Children's Hospital Foundation	773,104
Ottawa-Eastern Ontario	Children's Hospital of Eastern Ontario Foundation	2,317,560
Quebec	Operation Enfant Soleil	6,102,745
Saskatchewan	Children's Health & Hospital Foundation of Saskatchewan	1,425,672
Toronto-Northern/Central Ontario	SickKids Foundation	9,486,128
Vancouver-British Columbia	BC Children's Hospital Foundation	3,928,986

IRELAND MARKET	HOSPITAL NAME	TOTAL
Cork	Cork University Hospital, Mercy University Hospital	€ 362,736
Dublin	Our Lady's Children's Hospital - Crumlin, The National Children's Hospital - Tallaght, Temple Street Children's University Hospital	315,129

UNITED KINGDOM MARKET	HOSPITAL NAME	TOTAL
Belfast	The Helping Hand Charity to the Royal Belfast Hospital for Sick Children	£ 133,900



## TOTAL SUPPORT CHILDREN'S MIRACLE NETWORK

This list refers to a sponsor's or program's total contribution to Children's Miracle Network in 2009. The ranking is related to funds raised directly for hospitals, underwriting and in-kind support for hospitals and national operations, and the program outcome of underwriting and in-kind support. Those with support above \$50,000 are listed.



Radiothon by Foresters  
Wal-Mart Stores, Inc.  
Local Fundraising  
Costco Wholesale Corp.  
Credit Unions for Kids  
RE/MAX International, Inc.  
Dance Marathon - Program  
Rite Aid Corp.  
Dairy Queen Corp.  
Telethon - Program  
Speedway SuperAmerica LLC  
TD Bank Financial Group  
Marriott International, Inc.  
Direct Mail - Program  
Food Lion LLC  
Ace Hardware Corp.  
Giant Food LLC  
Kiwanis International  
Valero Energy Corp.  
McLane Company, Inc.  
Publix Super Markets, Inc.  
Log A Load  
Microsoft Corp.  
Newman's Own, Inc. (Costco Program)  
Air Canada/Kids' Horizons  
IHOP Corp.  
Greek Partners  
Blockbuster, Inc.

Delta Air Lines, Inc.  
Circle K Stores, Inc.  
Love's Travel Stops & Country Stores  
Kroger Co.  
CO-OP Financial Services  
Golden Corral Corp.  
Carmike Cinemas, Inc.  
Toys "R" Us Canada  
Combined Federal Campaign  
Fred's, Inc.  
HMSHost Corp.  
Six Flags Theme Parks, Inc.  
Auntie Anne's, Inc.  
Tops Markets, LLC  
CDW Corp.  
Great Clips, Inc.  
Stripes Convenience Stores  
Miss America Organization  
Panda Restaurant Group, Inc.  
American Legion  
Wawa, Inc.  
PartyLite  
Mike Weir Miracle Golf Drive For Kids  
Hershey Company  
Sunoco, Inc.  
Pizza Pizza  
Walt Disney World  
PGA Tour

Applebee's Restaurants  
American Car Care Centers  
Kinney Drugs, Inc.  
Express Services, Inc.  
CROSSMARK, Inc.  
News America  
USA Gymnastics  
Brookshire's/Super 1 Foods  
Round Table Pizza, Inc.  
The Source by Circuit City  
First Student Canada  
Canadian Woodlands  
Valvoline Instant Oil Change  
CEFCO Convenience Stores  
Produce for Kids  
Quick Chek, Inc.  
Kellogg's  
Chevron Corp.  
A & P Supermarkets  
Safeway Stores, Inc.  
FirstGroup America  
Money Mailer, LLC  
Coca-Cola Company  
BP Amoco  
Meijer, Inc.  
Hot Wheels

## ENDOWMENT DONORS

### **\$1 MILLION AND ABOVE:**

J. Willard and Alice S. Marriott Foundation

### **\$500,000 AND ABOVE:**

Steve and Linda Weisz

### **\$250,000 AND ABOVE:**

Children's Hospital of Wisconsin

Children's Memorial Hospital of Chicago

### **\$100,000 AND ABOVE:**

Akron Children's Hospital

Arnold Palmer Hospital for Children

Brett Hutchens

Elmer H. Zimmerman Estate

### **\$50,000 AND ABOVE:**

Children's Hospital of Alabama - Birmingham, AL

Doernbecher Children's Hospital Foundation

International Dairy Queen, Inc.

Patricia L. Kuhn Estate

SickKids Foundation - Toronto, Canada

Texas Children's Hospital - Houston, TX

The Children's Hospital - Denver, CO

### **\$25,000 AND ABOVE:**

Celia and David Swanson

Charlie Amato

Children's Healthcare of Atlanta

Diane and Pete Doniger

Don and Debra Harris

John and Annie Standley

Jon and Teri Vice

Mario and Betty Pillozzi

Richard J. Eckel Estate

Rob Harris

SWBC Foundation

Tom E. Smith

Viola June Reeno Estate

### **UNDER \$25,000:**

Anonymous

Anonymous

Barbara and Robert Hannan

Brighton Bank

Children's Hospital of The Kings' Daughter - Norfolk, VA

Claire Richards

CoxHealth of Springfield, MO

Craig and Annette Sorensen

Dianna and Chris Morgan

Greg and Pam Kennedy

Holland & Hart

James and Debra Shmerling

Jerry Reitman

Jimmy Alexander

John and Ann Bozard

John and Sarah Hartman

Judith and John Bel

Katherine H. Melvin Estate

Ken and Susanne Potrock

Mark and Ora Pescovitz

Michael Mischler

Mick and Karen Shannon

Scott and Pam Burt

Steven A. and Alexandra M. Cohen Foundation

The Children's Hospital of Philadelphia

The Coca-Cola Company

Tom and Carol Sargent

Tom Sullivan and Kimberlee Yaskoski

Women of the Moose - Mio Chapter 68

### **PLANNED/ESTATE GIFT COMMITMENTS**

Don and Debra Harris

Diane and Pete Doniger

2009 FINANCIAL STATEMENTS





**Report of Independent Certified Public Accountants**

Executive Committee and Board of Trustees  
Children's Miracle Network and Subsidiaries

Audit • Tax • Advisory

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We have audited the accompanying consolidated statements of financial position of Children's Miracle Network and subsidiaries (the Organization) as of August 31, 2009 and 2008, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Organization'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 as established by the American Institute of Certified Public Accountants. 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 Organization'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 the Organization as of August 31, 2009 and 2008, and its changes in net assets, its functional expenses and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note C to these consolidated financial statements, the Organization adopted FASB FSP FAS 117-1 related to net asset classification of donor-restricted and board-designated endowment funds. These consolidated financial statements have been adjusted to conform to the provisions of that pronouncement. Additionally, as discussed in Note C to these consolidated financial statements, the Organization restated the beginning permanently restricted and unrestricted net asset balances for the periods ended August 31, 2008 and August 31, 2009.

A handwritten signature in black ink that reads "Grant Thornton LLP".

Salt Lake City, Utah  
December 15, 2009

## 2009 FINANCIAL STATEMENTS

### Children's Miracle Network and Subsidiaries

#### CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

August 31,

#### ASSETS

	2009	2008 (Restated)
<b>ASSETS</b>		
Cash and cash equivalents		
Unrestricted	\$ 15,872,873	\$ 16,294,678
Restricted	24,019,491	17,621,038
Investments		
Unrestricted	9,848,097	9,989,865
Restricted	-	1,308,519
Contributions receivable	207,305	225,218
Accounts receivable, net of allowance for doubtful accounts of \$55,612 in 2009 and \$55,902 in 2008	2,085,739	1,778,170
Prepaid expenses and other current assets	740,733	637,239
Property, furniture and equipment, net	9,310,291	4,463,406
Non-current contributions receivable, net of allowance for doubtful accounts of \$2,092 in 2009 and \$52,329 in 2008	419,946	314,283
Other non-current assets	193,817	125,225
Total assets	\$ 62,698,292	\$ 52,757,641

#### LIABILITIES AND NET ASSETS

<b>LIABILITIES</b>		
Accounts payable	\$ 4,480,153	\$ 2,484,939
Accrued liabilities	556,571	634,423
Payable to participating hospitals	23,137,220	15,716,238
Payable to partners	882,271	1,854,731
Deferred revenue	9,129,157	8,910,517
Notes payable - current portion	139,906	42,868
Notes payable	4,763,520	2,457,132
Other long-term liabilities	76,440	1,429,902
Total liabilities	43,165,238	33,530,750
<b>NET ASSETS</b>		
Unrestricted	16,936,290	17,545,290
Temporarily restricted	609,830	456,530
Permanently restricted	1,986,934	1,225,071
Total net assets	19,533,054	19,226,891
Total liabilities and net assets	\$ 62,698,292	\$ 52,757,641

The accompanying notes are an integral part of these financial statements

## 2009 FINANCIAL STATEMENTS

### Children's Miracle Network and Subsidiaries

#### CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended August 31, 2009

	Unrestricted	Temporarily restricted	Permanently restricted	Totals
<b>Revenues:</b>				
Hospital fees	\$ 16,936,904	\$ -	\$ -	\$ 16,936,904
Production underwriting gifts	10,196,222	21,449	-	10,217,671
Direct mail	3,373,539	-	-	3,373,539
Donations-in-kind	1,262,799	588,381	-	1,851,180
Campaign	2,645,383	-	-	2,645,383
Licensing fees	465,214	-	-	465,214
Endowments, major gifts, and grants	10,500	-	814,945	825,445
Total revenues	<u>34,890,561</u>	<u>609,830</u>	<u>814,945</u>	<u>36,315,336</u>
<b>Other revenue:</b>				
Interest and dividend income	659,415	23,291	-	682,706
Net realized loss on investments	(616,435)	-	-	(616,435)
Net unrealized loss on investments	(568,101)	(23,291)	-	(591,392)
Gain on sale of fixed assets, net	13,384	-	-	13,384
Ancillary revenue	1,297,167	-	-	1,297,167
Net assets released from restrictions	456,530	(456,530)	-	-
Total revenues, gains and other support	<u>36,132,521</u>	<u>153,300</u>	<u>814,945</u>	<u>37,100,766</u>
<b>Expenses and losses:</b>				
Program services				
Community services and outreach support	12,131,846	-	-	12,131,846
Network program services	<u>20,483,124</u>	<u>-</u>	<u>-</u>	<u>20,483,124</u>
Total program services	<u>32,614,970</u>	<u>-</u>	<u>-</u>	<u>32,614,970</u>
Support services				
Fund raising	1,282,211	-	-	1,282,211
Management and general	<u>2,841,709</u>	<u>-</u>	<u>-</u>	<u>2,841,709</u>
Total support services	<u>4,123,920</u>	<u>-</u>	<u>-</u>	<u>4,123,920</u>
Total expenses and losses	<u>36,738,890</u>	<u>-</u>	<u>-</u>	<u>36,738,890</u>
Other loss	<u>2,631</u>	<u>-</u>	<u>53,082</u>	<u>55,713</u>
Change in net assets	(609,000)	153,300	761,863	306,163
Net assets, beginning of year (restated)	<u>17,545,290</u>	<u>456,530</u>	<u>1,225,071</u>	<u>19,226,891</u>
Net assets, end of year	<u>\$ 16,936,290</u>	<u>\$ 609,830</u>	<u>\$ 1,986,934</u>	<u>\$ 19,533,054</u>

The accompanying notes are an integral part of this financial statement



## 2009 FINANCIAL STATEMENTS

### Children's Miracle Network and Subsidiaries

#### CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended August 31, 2008 - Restated

	<u>Unrestricted</u>	<u>Temporarily restricted</u>	<u>Permanently restricted</u>	<u>Totals</u>
Revenues:				
Hospital fees	\$ 15,801,826	\$ -	\$ -	\$ 15,801,826
Production underwriting gifts	11,291,642	75,843	-	11,367,485
Direct mail	3,753,426	-	-	3,753,426
Donations-in-kind	1,430,854	380,687	-	1,811,541
Campaign	2,865,491	-	-	2,865,491
Licensing fees	171,090	-	-	171,090
Endowments, major gifts, and grants	<u>39,354</u>	<u>-</u>	<u>965,071</u>	<u>1,004,425</u>
Total revenues	35,353,683	456,530	965,071	36,775,284
Other revenue:				
Interest and dividend income	2,059,274	15,039	-	2,074,313
Net realized gain on investments	365,695	22,185	-	387,880
Net unrealized loss on investments	(1,455,997)	(45,344)	-	(1,501,341)
Gain on sale of fixed assets, net	94,614	-	-	94,614
Ancillary revenue	1,107,793	-	-	1,107,793
Net assets released from restrictions	<u>579,874</u>	<u>(579,874)</u>	<u>-</u>	<u>-</u>
Total revenues, gains and other support	<u>38,104,936</u>	<u>(131,464)</u>	<u>965,071</u>	<u>38,938,543</u>
Expenses and losses:				
Program services				
Community services and outreach support	14,408,137	-	-	14,408,137
Network program services	<u>20,687,701</u>	<u>-</u>	<u>-</u>	<u>20,687,701</u>
Total program services	<u>35,095,838</u>	<u>-</u>	<u>-</u>	<u>35,095,838</u>
Support services				
Fund raising	1,771,014	-	-	1,771,014
Management and general	<u>2,634,296</u>	<u>-</u>	<u>-</u>	<u>2,634,296</u>
Total support services	<u>4,405,310</u>	<u>-</u>	<u>-</u>	<u>4,405,310</u>
Total expenses and losses	<u>39,501,148</u>	<u>-</u>	<u>-</u>	<u>39,501,148</u>
Other loss	<u>77,634</u>	<u>-</u>	<u>-</u>	<u>77,634</u>
Change in net assets	(1,473,846)	(131,464)	965,071	(640,239)
Net assets, beginning of year	<u>19,027,256</u>	<u>579,874</u>	<u>260,000</u>	<u>19,867,130</u>
Cumulative effect of change in accounting principle (Note C)	<u>(8,120)</u>	<u>8,120</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 17,545,290</u>	<u>\$ 456,530</u>	<u>\$ 1,225,071</u>	<u>\$ 19,226,891</u>

The accompanying notes are an integral part of this financial statement

## 2009 FINANCIAL STATEMENTS

### Children's Miracle Network and Subsidiaries

#### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended August 31, 2009

	Program services		Support services		Totals
	Community services and outreach support	Network program services	Fund raising	Management and general	
Travel	\$ 2,030,672	\$ 1,888,020	\$ 138,613	\$ 176,451	\$ 4,233,756
Employment costs	3,526,054	6,729,223	709,682	1,438,210	12,403,169
Equipment rental	10,742	32,026	386	2,040	45,194
Contract services	1,778,357	1,748,802	111,552	247,852	3,886,563
Advertising and promotion	3,477,148	3,412,226	205,441	242,474	7,337,289
Printing and photography	59,814	95,322	3,248	9,455	167,839
Corporate campaign	-	2,484,909	-	-	2,484,909
Sponsorship support	394,686	1,061,432	59,321	6,109	1,521,548
Program support	-	2,272,080	-	-	2,272,080
Occupancy and utilities	179,404	101,567	7,970	42,833	331,774
Telephone	68,560	160,276	11,567	23,235	263,638
Depreciation	53	25,284	79	205,632	231,048
Professional fees	185,822	139,490	13,040	323,675	662,027
Insurance	56,501	31,438	2,007	13,680	103,626
Interest	35,251	11,940	1,137	8,528	56,856
Licenses and fees	24,687	23,377	1,223	21,151	70,438
Postage and shipping	38,704	93,203	6,833	9,195	147,935
Supplies	262,940	163,917	9,868	47,778	484,503
Unrelated business income tax	-	-	-	19,318	19,318
Other	2,451	8,592	244	4,093	15,380
	\$ 12,131,846	\$ 20,483,124	\$ 1,282,211	\$ 2,841,709	\$ 36,738,890

The accompanying notes are an integral part of this financial statement

## 2009 FINANCIAL STATEMENTS

### Children's Miracle Network and Subsidiaries

#### CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended August 31, 2008

	Program services		Support services		Totals
	Community services and outreach support	Network program services	Fund raising	Management and general	
Travel	\$ 2,502,124	\$ 2,227,990	\$ 195,584	\$ 209,701	\$ 5,135,399
Employment costs	4,720,993	7,570,394	934,750	1,521,104	14,747,241
Equipment rental	27,874	33,358	15,500	2,140	78,872
Contract services	2,406,746	1,173,359	240,930	198,850	4,019,885
Advertising and promotion	3,403,111	2,052,762	103,091	113,667	5,672,631
Printing and photography	155,164	136,378	22,133	10,431	324,106
Corporate campaign	-	2,865,242	-	-	2,865,242
Sponsorship support	293,037	1,507,513	192,049	5,081	1,997,680
Program support	-	2,220,430	-	92,518	2,312,948
Occupancy and utilities	229,335	107,797	9,623	49,287	396,042
Telephone	76,985	135,607	10,104	14,540	237,236
Depreciation	38	43,843	57	98,226	142,164
Professional fees	154,535	204,934	14,699	229,060	603,228
Insurance	34,983	24,358	1,421	8,467	69,229
Interest	8,880	5,361	286	7,639	22,166
Licenses and fees	35,308	45,882	2,403	14,492	98,085
Postage and shipping	54,903	112,595	9,004	9,621	186,123
Supplies	301,079	214,056	19,234	41,964	576,333
Unrelated business income tax	-	-	-	6,500	6,500
Other	3,042	5,842	146	1,008	10,038
	<u>\$ 14,408,137</u>	<u>\$ 20,687,701</u>	<u>\$ 1,771,014</u>	<u>\$ 2,634,296</u>	<u>\$ 39,501,148</u>

The accompanying notes are an integral part of this financial statement

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network  
and Subsidiaries

CONSOLIDATED STATEMENTS OF CASH FLOWS

Year ended August 31,

	2009	2008
Cash flows from operating activities		
Change in net assets	\$ 306,163	\$ (640,239)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	231,048	142,164
Unrealized loss on investments	591,392	1,501,341
Realized loss/(gain) on investments	616,435	(387,880)
Gain on sale of fixed assets	(13,384)	(94,614)
Investment management fees	8,726	(3,364)
Proceeds from endowment contributions	(672,048)	(449,084)
Dividend Income	-	50,813
Other Loss	55,713	77,634
Changes in assets and liabilities		
Accounts receivable	(276,571)	257,900
Restricted cash	(6,525,723)	17,723,579
Prepaid expenses and other current assets	(102,429)	(295,911)
Other non-current assets	(174,255)	(328,863)
Accounts payable	1,843,800	842,885
Accrued liabilities	(77,077)	345,811
Payable to participating hospitals	7,548,254	(19,245,241)
Payable to partners	(972,460)	1,471,593
Deferred revenue	231,561	2,525,401
Other long-term liabilities	(1,353,465)	150,395
Total adjustments	959,517	4,284,559
Net cash provided by operating activities	1,265,680	3,644,320
Cash flows from investing activities		
Purchase of property, furniture, and equipment	(4,927,528)	(705,770)
Proceeds from sale of property, furniture, and equipment	8,112	7,999
Purchase of investments	(5,822,890)	(952,363)
Proceeds from sales of investments	6,056,623	569,982
Net cash used in investing activities	(4,685,683)	(1,080,152)
Cash flows from financing activities		
Proceeds from issuance of notes payable	2,500,000	5,500,000
Principal payments on notes payable	(96,574)	(3,000,000)
Proceeds from endowment contributions	672,048	449,084
Net cash provided by financing activities	3,075,474	2,949,084
Effect of exchange rate changes on cash	(77,276)	(81,161)
Net increase (decrease) in cash and cash equivalents	(421,805)	5,432,091
Cash and cash equivalents, at beginning of year	16,294,678	10,862,587
Cash and cash equivalents, at end of year	\$ 15,872,873	\$ 16,294,678
Supplemental disclosure of cash flow information:		
Cash paid for interest	\$ 198,384	\$ 9,146
Cash paid for unrelated business income tax	\$ 6,158	\$ 12,362
Noncash investing and financing activities		
Property, furniture, and equipment financed with accounts payable	\$ 158,167	\$ 229,918
Exchange of property	\$ -	\$ 15,830

The accompanying notes are an integral part of these financial statements.

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE A - ORGANIZATION

Children's Miracle Network (the Organization) is a charitable organization, qualified under Section 501(c)(3) of the United States Internal Revenue Code, organized for the purposes of:

1. Making distributions to other charitable organizations.
2. Supporting fundraising for the benefit of sick and injured children and youth, including treatment, healthcare research, and acquisition of healthcare equipment and supplies.
3. Generating awareness programs concerning the healthcare needs of children and youth and the institutions and people who care for them.
4. Generating educational programs to promote good healthcare practices for children and youth; educating the public in the healthcare needs of children and youth; and educating the public in the needs and practices of institutions and people who provide healthcare to them.

Children's Miracle Network raises awareness of children's healthcare needs and supports fundraising for nonprofit children's hospitals. The Organization facilitates fundraising for member children's hospitals by 1) establishing and maintaining relationships with corporate and media partners and 2) creating, maintaining and facilitating fundraising programs that are executed by corporate, media and hospital partners to benefit children's health care. The majority of fundraising solicitations are made by Children's Miracle Network partners—corporate sponsors, media sponsors and member hospitals.

Contributions solicited through corporate-sponsored campaigns and through Children's Miracle Network programs are generally received by Children's Miracle Network, acting as an agent, and then paid to member hospitals. Children's Miracle Network has no discretionary variance power over the distribution of such contributions and, in accordance with Statement of Financial Accounting Standards (SFAS) No. 136, *Transfers of Assets to a Not-for-Profit Organization or Charitable Trust that Raises or Holds Contributions for Others*, such contributions are not reflected as revenues in Children's Miracle Network's financial statements. Children's Miracle Network's campaign year is January 1 through December 31. Contributions are distributed to member hospitals quarterly.

To participate in an upcoming year's fundraising and awareness campaign, hospitals pay a membership fee and license the use of the Children's Miracle Network name and logo. They become sole Children's Miracle Network licensees in their respective markets (geographic areas); the funds raised within these markets are unrestricted funds and may be used by member hospitals as needed. Most funds raised benefit patients, pediatric programs, equipment and ongoing research to create better treatments and cure childhood diseases. Corporate sponsors need not become licensees; however, they are generally required to donate all funds they raise to hospitals affiliated with Children's Miracle Network.

Children's Miracle Network's operational activities are primarily supported by hospital membership fees, mentioned above, and corporate underwriting. Corporate underwriting represents donations from corporate sponsors to Children's Miracle Network.

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A summary of the significant accounting policies consistently applied in the preparation of the accompanying financial statements follows.

1. Basis of presentation

The Organization presents its accounts in accordance with the American Institute of Certified Public Accountants Audit and Accounting Guide for Not-for-Profit Organizations (Audit Guide). Under the Audit Guide, not-for-profit organizations are required to provide a statement of financial position, a statement of activities, and a statement of cash flows which are prepared to focus on the organization as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Not-for-profit organizations are required to report total assets, liabilities, and net assets in a statement of financial position; change in net assets in a statement of activities; and changes in cash and cash equivalents in a statement of cash flows. The Audit Guide also requires that not-for-profit organizations report expenses by their functional classification, such as major programs and supporting activities. The Organization presents expenses by functional classification in a statement of functional expenses.

The Organization maintains its accounts on the accrual basis of accounting. Net assets and revenues, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

*Permanently restricted net assets*

Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Children's Miracle Network has an ongoing long-term funding campaign to benefit its endowment fund. Endowment contributions received with donor restrictions are classified as permanently restricted net assets. Earnings and appreciation thereon are classified as temporarily restricted net assets until such time as the Board appropriates use of the funds. As of August 31, 2009 and August 31, 2008, permanently restricted net asset balances were \$1,986,934 and \$1,225,071, respectively.

*Temporarily restricted net assets*

Net assets subject to donor-imposed stipulations that may or will be met by actions of the Organization and/or the passage of time.

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

1. Basis of presentation (continued)

*Unrestricted net assets*

Net assets not subject to donor-imposed stipulations.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulations or by law.

Expirations of temporary restrictions on net assets, i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed, are reported as reclassifications between the applicable classes of net assets.

2. Principles of consolidation

The consolidated financial statements include the accounts and operations of Children's Miracle Network, Children's Miracle Network UK, Children's Miracle Network Enterprises Limited, Children's Miracle Network Ireland and Children's Miracle Network Australia for the period ended August 31, 2009. For the period ended August 31, 2008, the consolidated financial statements include the accounts and operations of Children's Miracle Network, Children's Miracle Network UK, Children's Miracle Network Enterprises Limited and Children's Miracle Network Ireland. All intercompany accounts and transactions have been eliminated in the consolidation.

3. Use of 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 amount of assets, liabilities, and net assets and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, gains and other support, and expenses during the reporting period. On an ongoing basis, the Organization evaluates the estimates and assumptions based upon historical experience and various other factors and circumstances. The Organization believes that the estimates and assumptions are reasonable in the circumstances; however, the actual results could differ from these estimates under different future conditions.

4. Cash and cash equivalents

The Organization considers all highly liquid instruments with an original maturity of three months or less when purchased to be cash equivalents. The Organization's cash equivalents consist of money market funds.

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONTINUED

5. Restricted cash

Restricted cash and equivalents are resources received from the Organization's campaigns and programs which are payable to member hospitals. Restricted cash is excluded from cash and cash equivalents for the purposes of the statement of cash flows.

6. Investments

Investments are stated at fair value determined by quoted market prices as of year end. Investment income or loss (including realized gains and losses on investments, interest, and dividends) and unrealized gains and losses on investments are recognized in the statements of activities.

7. Restricted investments

Restricted investments as of August 31, 2008 were resources restricted for future payouts of the supplemental employee retirement plan, which were paid out in full in 2009.

8. Contributions

Contributions, grants, and bequests including unconditional promises to give, are recognized upon receipt as either temporarily or permanently restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Results of fundraising efforts of corporate-sponsored campaigns and Children's Miracle Network programs that are received as agency funds and later paid to member hospitals are not recognized as revenues; instead, these funds are recorded as restricted cash and payables to member hospitals. Contributions of assets other than cash are recorded at their estimated fair value. Contributions that will be received within one year from the statement of financial position date are not discounted. Contribution pledges that are to be received over multiple years are discounted in accordance with Accounting Principles Board ("APB") Opinion No. 21, *Interest on Receivables and Payables*. Interest income associated with these receivables is recognized on a straight-line basis which approximates the effective interest method. Contributions of services are recognized if the services received (a) create or enhance nonfinancial assets or (b) require specialized skills, which are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. The Organization received service and material donations included in the accompanying statement of activities at an estimated fair market value of approximately \$1.9 million and \$1.8 million in 2009 and 2008, respectively. The Organization received a work of art valued at approximately \$80,000 in 2009 that is included in other non-current assets in the statements of financial position. The Organization received cash donations included in the accompanying statements of activities of approximately \$6.2 million and \$7.2 million from three and four major donors during the years ended August 31, 2009 and 2008, respectively.



## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

8. Contributions – continued

The Organization has a substantial number of volunteers that have donated a significant amount of time to the Organization's programs and activities. No amounts have been reflected in the financial statements for these services inasmuch as no objective basis is available to measure the value of such services.

9. Temporarily restricted net assets

The Organization has adopted the following accounting policies with respect to temporarily restricted net assets:

- Contributions with restrictions met in the same year

Contributions received with donor-imposed restrictions that are met in the same year as received are reported as revenues of unrestricted net assets.

- Release of restrictions on net assets for acquisition of land, building and equipment

Contributions of land, building, and equipment without donor stipulations concerning the use of such long-lived assets are reported as revenues of unrestricted net assets. Contributions of cash or other assets to be used to acquire land, buildings, and equipment with donor stipulations are reported as revenues of temporarily restricted net assets; the restrictions are considered to be released at the time of acquisition of such long-lived assets.

10. Accounts receivable

Accounts receivable represent billings to member hospitals for membership fees and various ancillary services. Accounts receivable are expected to be collected during the next fiscal year and are recorded at net realizable value. The allowance for doubtful accounts is directly related to receivables for the ancillary services provided to member hospitals and to pledges receivable.

Accounts outstanding longer than the contractual payment terms are considered past due and finance charges are charged on the outstanding balance. The Organization determines its allowance by considering a number of factors, including the length of time receivables are past due, the Organization's previous loss history, the member hospital's current ability to pay its obligation to the Organization, and the condition of the general economy and the industry as a whole. The Organization writes off receivables when they become uncollectible, and payments subsequently received on such receivables are credited to the allowance for doubtful accounts.

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

##### 11. Property, furniture and equipment

Property, furniture and equipment are recorded at cost when purchased or fair market value at the date of gift, if contributed. Expenditures over \$2,000 that will benefit future periods are capitalized and expensed over the useful life of the asset. Property, furniture and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, which range from three to ten years for furniture and equipment and thirty years for property. The cost and accumulated depreciation of property and equipment sold or otherwise retired are removed from the accounts and the gain or loss on disposition is reflected in the statement of activities in the period of disposition.

##### 12. Membership and licensing fees

Cash is received in advance from hospitals for membership fees. Membership fee revenue is deferred and amortized ratably over the one-year contract period.

During the periods ended August 31, 2009 and 2008, the Organization received approximately \$465,000 and \$171,000, respectively, of revenue from licensing agreements. Fees received under licensing agreements are accounted for as exchange transactions and are recognized in the statement of activities when earned under the terms of the contracts.

##### 13. Foreign currency translation

The accounts of Children's Miracle Network's Canadian office, Children's Miracle Network UK, Children's Miracle Network Enterprises Limited, Children's Miracle Network Ireland and Children's Miracle Network Australia are translated into U.S. dollars in the accompanying financial statements in accordance with Statement of Financial Accounting Standards No. 52, *Foreign Currency Translation*. The functional currency of Children's Miracle Network's Canadian office is the Canadian dollar; the functional currency of Children's Miracle Network UK and Children's Miracle Network Enterprises Limited is the pound; the functional currency of Children's Miracle Network Ireland is the euro; and the functional currency of Children's Miracle Network Australia is the Australian dollar.

##### 14. Income taxes

The Organization received a tax determination letter indicating that it qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code. The Organization is also exempt from State of Utah taxation. In 2009 and 2008, the Organization incurred \$19,318 and \$6,500, respectively, in unrelated business income tax resulting from transactions that were not within the scope of the Organization's stated mission.

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

##### 15. Impairment of long-lived assets

The Organization reviews long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to future undiscounted net cash flows expected to be generated by the asset. If such assets are considered to be impaired, the impairment to be recognized is measured by the amount by which the carrying amount of the assets exceeds the fair value of the assets. Assets to be disposed of are reported at the lower of the carrying amount or fair value less costs to sell.

##### 16. Advertising expenses

Advertising costs are expensed as incurred and are included in advertising and promotions on the statements of functional expenses. Advertising costs were approximately \$7.3 million and \$5.7 million in 2009 and 2008, respectively.

##### 17. Functional expenses

The Organization performs four functions: community services & outreach support, network program services, fundraising and management & general. Definitions of these functions are as follows:

*Community Services & Outreach Support* – All costs incurred to develop, package and provide public outreach programs to member children's hospitals throughout the United States, Canada, the UK, Ireland and Australia.

*Network Program Services* – Activities performed by the Organization to develop national fundraising programs for over 170 children's hospitals throughout the United States, Canada, the UK, Ireland, and Australia. Participation in the Network provides hospitals access to corporate charity care fundraising programs. Expenses include those related to day-to-day involvement with member hospitals and relationships with corporate sponsors.

*Fundraising* – Activities performed by the Organization to generate funds and/or resources to support its own programs and operations.

*Management & General* – All costs that are not identifiable with a single program or fundraising activity, but are indispensable to the conduct of such programs and activities and to the Organization's existence. This includes expenses for the overall direction of the Organization, business management, general recordkeeping, budgeting, financial reporting, and activities relating to these functions such as salaries, rent, supplies, equipment, and other general overhead.

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

##### 17. Functional expenses – continued

The majority of the Organization's expenses are classified as *Community Services & Outreach Support* and *Network Program Services* as the majority of expenses incurred by the Organization fulfill the purposes or mission for which the Organization exists. Furthermore, the majority of expenses are incurred to create, maintain and facilitate fundraising programs that are executed by corporate, media and hospital partners to benefit children's health care. However, actual solicitations to current and potential donors are not made by the Organization; rather, the solicitations are made by the corporate sponsors, media sponsors and member hospitals.

Any expenses incurred by the Organization to raise funds to support its own programs and operations or where the Organization directly solicits funds from donors are classified as *Fundraising* expenses.

Wherever practicable, expenses are assigned to functional categories on an item-by-item basis. Other expenses relate to two or more major programs and are allocated in accordance with Statement of Financial Accounting Standards No. 117, *Financial Statements of Not-for-Profit Organizations*. These expenses are subject to systematic review and allocation.

##### 18. Recent accounting pronouncements

In May 2009, the Financial Accounting Standards Board (FASB) issued SFAS No. 165, *Subsequent Events* ("SFAS No. 165"), to incorporate the accounting and disclosure requirements for subsequent events into U.S. generally accepted accounting principles. SFAS No. 165 introduces new terminology, defines a date through which management must evaluate subsequent events, and lists the circumstances under which an entity must recognize and disclose events or transactions occurring after the statement of financial position date. The Organization adopted SFAS No. 165 for the period ended August 31, 2009.

In June 2009, the FASB issued SFAS No. 168, *The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles* ("SFAS No. 168"). SFAS No. 168 replaces SFAS No. 162 and establishes the FASB Accounting Standards Codification as the source of authoritative accounting principles recognized by the FASB to be applied by nongovernmental entities in the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). SFAS No. 168 is effective for interim or annual financial reporting periods ended after September 15, 2009. The Organization is currently evaluating the impact that SFAS No. 168 will have on its financial statements but does not expect it to have a material effect.

In December 2008, the FASB issued FSP FIN 48-3, *Effective Date of FASB Interpretation No. 48 for Certain Nonpublic Enterprises*, to provide an additional one-year deferral of the effective date of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes*, for certain nonpublic entities. Eligible entities that elect the deferral will be required to apply Interpretation 48 to annual financial statements for fiscal years beginning after December 15, 2008. The Organization has elected to defer the application of Interpretation 48 for the year ended August 31, 2009. The Organization is currently evaluating the impact that Interpretation 48 will have on its financial statements but does not expect it to have a material effect.

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE B - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

##### 19. Reclassifications

Certain immaterial reclassifications have been made to fiscal year 2008 financial information to conform to the 2009 presentation.

#### NOTE C – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF BEGINNING NET ASSETS

In August 2008, the FASB issued FASB Staff Position (FSP) FAS 117-1, *Endowments of Not-For-Profit Organizations: Net Asset Classification of Funds Subject to an Enacted Version of the Uniform Prudent Management of Institutional Funds Act, and Enhanced Disclosures for All Endowment Funds* (Staff Position). The Staff Position is effective for fiscal years ending after December 15, 2008. The Staff Position provides 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). The Staff Position also improves disclosures about an organization's endowment funds (both donor-restricted endowment funds and board-designated endowment funds) whether or not the organization is subject to UPMIFA. The beginning and ending net asset balances for the period ended August 31, 2008 were restated to conform to the provisions of the Staff Position.

The State of Utah adopted UPMIFA effective March 7, 2007. Children's Miracle Network has adopted the Staff Position for the year ending August 31, 2009. Children's Miracle Network has interpreted UPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent donor stipulations to the contrary. As a result of this interpretation, Children's Miracle Network 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 Children's Miracle Network in a manner consistent with the standard of prudence prescribed by UPMIFA. In accordance with UPMIFA, Children's Miracle Network 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 organization 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 Children's Miracle Network.
- 7) The investment policies of the Organization.

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE C – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF BEGINNING NET ASSETS – CONTINUED

In addition to the adoption of the Staff Position, the Organization restated its beginning 2009 and 2008 permanently restricted and unrestricted net asset balances. Approximately \$560,000 and \$30,000 of endowment revenues were board-designated endowment contributions in 2007 and 2008, respectively. These contributions were inappropriately classified as permanently restricted net assets. The beginning net asset balances are restated to classify these contributions as unrestricted net assets.

The statement of financial position as of August 31, 2008 is restated as follows:

	<u>As previously reported</u>		<u>FSP Adjustments</u>		<u>Net Asset Restatement</u>		<u>As Restated</u>
<b>NET ASSETS</b>							
Unrestricted	\$ 16,957,023	\$	-	\$	588,267	\$	17,545,290
Temporarily Restricted	\$ 456,530	\$	-	\$	-	\$	456,530
Permanently Restricted	\$ 1,813,338	\$	-	\$	(588,267)	\$	1,225,071

The statement of activities for the year ended August 31, 2008 is restated as follows:

	<u>As previously reported</u>		<u>FSP Adjustments</u>		<u>Net Asset Restatement</u>		<u>As Restated</u>
<b>REVENUES</b>							
<u>Unrestricted</u>							
Endowments, major gifts, and grants	\$ 10,000	\$	-	\$	29,354	\$	39,354
<u>Permanently Restricted</u>							
Endowments, major gifts, and grants	\$ 994,425	\$	-	\$	(29,354)	\$	965,071
<b>OTHER REVENUE</b>							
<u>Unrestricted</u>							
Interest and dividend income	\$ 2,074,313	\$	(15,039)	\$	-	\$	2,059,274
Net realized gain on investments	\$ 387,880	\$	(22,185)	\$	-	\$	365,695
Net unrealized loss on investments	\$ (1,501,341)	\$	45,344	\$	-	\$	(1,455,997)

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE C – CHANGE IN ACCOUNTING PRINCIPLE AND RESTATEMENT OF BEGINNING NET ASSETS – CONTINUED

	As previously reported	FSP Adjustments	Net Asset Restatement	As Restated
<u>Temporarily Restricted</u>				
Interest and dividend income	\$ -	\$ 15,039	\$ -	\$ 15,039
Net realized gain on investments	\$ -	\$ 22,185	\$ -	\$ 22,185
Net unrealized loss on investments	\$ -	\$ (45,344)	\$ -	\$ (45,344)
	As previously reported	FSP Adjustments	Net Asset Restatement	As Restated
NET ASSETS, BEGINNING OF YEAR				
Unrestricted	\$ 18,468,343	\$ (8,120)	\$ 558,913	\$ 19,019,136
Temporarily Restricted	\$ 579,874	\$ 8,120	\$ -	\$ 587,994
Permanently Restricted	\$ 818,913	\$ -	\$ (558,913)	\$ 260,000

#### NOTE D – INVESTMENTS

Investments, at fair value, consist of the following at August, 31:

	2009	2008
Mutual funds	\$ 9,848,097	\$ 7,719,776
Fixed Income	-	2,300,449
Equities/Equity Funds	-	1,278,159
	\$ 9,848,097	\$ 11,298,384

The net realized loss on investments was \$616,435 and the net unrealized loss on investments was \$591,392 at August 31, 2009. The net realized gain on investments was \$387,880 and the net unrealized loss on investments was \$1,501,341 at August 31, 2008. The net realized gains or losses are reported net of investment advisor commissions of \$60,174 and \$29,535 in 2009 and 2008, respectively. Interest and dividend income was \$682,706 and \$2,074,313 in 2009 and 2008, respectively.

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE E – FAIR VALUE MEASUREMENTS

In September 2006, the FASB issued SFAS No. 157, *Fair Value Measurements* (SFAS No. 157), which is effective for the Organization's fiscal year beginning September 1, 2008. SFAS No. 157 defines fair value, establishes a framework for measuring fair value, and expands disclosures about fair value measurements. The new standard provides a consistent definition of fair value which focuses on an exit price between market participants in an orderly transaction. The standard also prioritizes, within the measurement of fair value, the use of market-based information over entity-specific information and establishes a three-level hierarchy for fair value measurements based on the transparency of information used in the valuation of an asset or liability as of the measurement date.

Cash and cash equivalents and investments measured and reported at fair value are classified and disclosed in one of the following categories:

Level 1 - Financial instruments with unadjusted, quoted prices listed on active market exchanges. An active market for the asset or liability is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. This level is primarily cash and cash equivalents of the Organization, and excludes securities held indirectly through commingled funds.

Level 2 - Financial instruments lacking unadjusted, quoted prices from active market exchanges, including over-the-counter traded financial instruments. The prices for the financial instruments are determined using prices for recently traded financial instruments with similar underlying terms as well as directly or indirectly observable inputs, such as interest rates and yield curves that are observable at commonly quoted intervals. Level 2 inputs include a) quoted prices for similar assets or liabilities in active markets b) quoted prices for identical or similar assets or liabilities in markets that are not active, that is, markets in which there are few transactions for the asset or liability, the prices are not current, or price quotations vary substantially either over time or among market makers, or in which little information is released publicly. Although individual investments of a fund may be publicly traded, they are commingled and as a fund are not traded in the open market.

Level 3 - Financial instruments where inputs are unobservable. This category includes situations where there is little, if any, market activity for the financial instrument. The prices are determined using significant unobservable inputs or valuation techniques. This level is primarily funds in trusts held by others and private programs in private equity, real estate, venture capital and natural resources. These funds are not traded in the open market until a point in the future, they contain fair values with no observable inputs, and the fair value unobservable inputs contain assumptions market participants would use in pricing the asset or liability.



## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE E – FAIR VALUE MEASUREMENTS – CONTINUED

The following table presents assets that are measured at fair value on a recurring basis.

		Fair value measurements at August 31, 2009			
	Fair value August 31, 2009	Quoted prices in active markets for identical assets (Level 1)	Other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
Cash and Cash Equivalents	\$ 39,892,364	\$ 18,671,414	\$ 21,220,950	\$ -	-
Investments in Mutual Funds	9,848,097	9,848,097	-	-	-
	\$ 49,740,461	\$ 28,519,511	\$ 21,220,950	\$ -	-

#### NOTE F – PROPERTY, FURNITURE AND EQUIPMENT

A summary of property, furniture and equipment and estimated useful lives as of August 31 follows:

	2009	2008	Useful lives
Land	\$ 1,912,889	\$ 1,912,639	
Building and improvements	6,736,323	2,246,481	30 years
Office furniture and equipment	1,556,742	1,074,536	3-10 years
	10,205,954	5,233,656	
Less accumulated depreciation and amortization	(895,663)	(770,250)	
	\$ 9,310,291	\$ 4,463,406	

Depreciation expense was \$231,048 and \$142,164 for the years ended August 31, 2009 and 2008, respectively.

#### NOTE G – COMMITMENTS AND CONTINGENCIES

Children's Miracle Network is involved in litigation and claims arising in the ordinary course of its operations. The Organization's management believes that the liabilities, if any, arising from such litigation and claims will have no material adverse effect on Children's Miracle Network's financial statements.

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE G – COMMITMENTS AND CONTINGENCIES – CONTINUED

The Organization leases certain of its property under long-term operating leases. Certain of the leases have options to renew the lease beyond the initial term. During 2007, the Organization entered into a sales-leaseback transaction for the sale of its corporate offices. The lease terminated on May 1, 2009. Future minimum lease payments required under operating lease agreements as of August 31, 2009 are as follows:

<u>Year ending August 31,</u>	
2010	\$ 122,582
2011	64,786
2012	64,434
2013	64,693
2014	62,536
Thereafter	<u>16,748</u>
Future minimum lease payments	<u>\$ 395,779</u>

Rent expense for the years ended August 31, 2009 and 2008 was \$277,691 and \$352,904, respectively.

During 2007, Children's Miracle Network entered into a three-way agreement between Children's Miracle Network, Walt Disney World Co. and PGA TOUR, Inc. to be the title sponsor and exclusive benefiting charity of the annual PGA TOUR tournament held at the Walt Disney World Resort in Orlando, Florida. The tournament is called the "Children's Miracle Network Classic." Future payments required under the cancelable agreement as of August 31, 2009 are as follows:

<u>Year ending August 31,</u>	
2010	\$ 4,071,000
2011	4,241,000
2012	4,418,000
2013	<u>4,604,000</u>
Total future payments per contract	<u>\$ 17,334,000</u>

In 2009, the Organization recorded \$3,908,000 of expense related to this agreement.

During 2008, the Organization entered into commitments for renovations on its new international headquarters building in Salt Lake City, Utah. As of August 31, 2008, the commitments totaled approximately \$4.5 million. The commitments were satisfied as of August 31, 2009.

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE H – NOTES PAYABLE

During 2008, the Organization entered into a 10-year, 6.25 percent, \$2.5 million mortgage to finance renovations on its new international headquarters building in Salt Lake City, Utah. The loan is amortized over a 25 year period with a balloon payment after ten years. The loan is secured by the new headquarters building.

During 2009, the Organization entered into a 10-year, 3.0 percent, \$2.5 million long-term financing arrangement with the Redevelopment Agency (RDA) of Salt Lake City to provide the balance of funds for renovating its new international headquarters building in Salt Lake City, Utah. The loan is amortized over a 20 year period with a balloon payment after 10 years. The loan is secured by the new headquarters building.

The following is a schedule by years of aggregate maturities of principal payments for these loans as of August 31, 2009:

<u>Year ending August 31,</u>		
2010	\$	139,906
2011		145,707
2012		151,786
2013		158,154
2014		164,830
Thereafter		<u>4,143,043</u>
Total	\$	<u>4,903,426</u>

Debt issuance costs related to this loan were capitalized. Net unamortized debt issuance costs as of August 31, 2009 and 2008 are \$24,545 and \$25,572, respectively, and are included in other non-current assets in the financial statements.

Interest expense for the period ended August 31, 2009 was \$204,277 of which \$147,421 was capitalized during the period. Interest expense for the period ended August 31, 2008 was \$22,166.

#### NOTE I – CONTRIBUTION RECEIVABLES

Contributions receivable are as follows at August 31:

	<u>2009</u>	<u>2008</u>
Due within one year	\$ 207,305	\$ 225,218
Due in one to five years	519,161	456,625
	<u>726,466</u>	<u>681,843</u>
Less discount (6.25%)	(97,123)	(90,013)
Less allowance for uncollectible receivables	<u>(2,092)</u>	<u>(52,329)</u>
	<u>\$ 627,251</u>	<u>\$ 539,501</u>

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE J – CONTRIBUTION PLEDGES

The Organization received \$6,681,000 and \$3,297,146 in conditional contribution pledges and unconditional intentions to give as of August 31, 2009 and 2008, respectively, that were not recognized in the current period financial statements in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. These conditional pledges will be recognized in the financial statements in the period when the donor-stipulated conditions are satisfied.

#### NOTE K – EMPLOYEE BENEFIT PLANS

The Organization has a noncontributory defined contribution employee benefit plan. The plan covers all employees who have completed at least one year of service and are 21 years of age. The plan provides for a scheduled vesting of up to 20 percent a year beginning after two years of service.

During 2009, the Organization satisfied all obligations under a Supplemental Executive Retirement Plan which was a money purchase plan. The Plan covered a select group of management and/or highly compensated employees. The plan provided for cliff-vesting when the individual reached a certain age and remained employed by Children's Miracle Network. The liability for these plans as of August 31, 2009 and 2008 was \$0 and \$1,358,588, respectively, and is contained in other long-term liabilities on the statements of financial position.

The total expense recognized for both of the plans noted above during 2009 and 2008 was approximately \$1.1 million in each year.

#### NOTE L – ENDOWMENT COMPOSITION

Children's Miracle Network's Endowment Fund is governed subject to a board-approved Endowment Fund Policy. The Board of Trustees, under provisions of the Endowment Fund Policy, has the ability to develop investment policies for the Endowment Fund. Until a separate investment policy is approved, investments of the Endowment Fund are managed in compliance with the policy that governs Children's Miracle Network's invested net assets (Investment Policy Statement).

The Board of Trustees, under provisions of the Investment Policy Statement, has adopted primary investment objectives (safety of principal, total return on investment; and liquidity needs) and investment characteristics (low degree of default risk, low degree of price risk resulting from changes in the level of interest rates, and high degree of marketability). Children's Miracle Network targets a diversified asset allocation that places a greater emphasis on equity-based investments to achieve its long-term objectives within prudent risk constraints.

The Board of Trustees, under provisions of the Endowment Fund Policy, has the ability to develop a disbursement policy for the Endowment Fund. Until such disbursement policy is adopted and implemented, all disbursements from the Endowment Fund must be approved by the Board of Trustees. Any expenditure approved for disbursement must be consistent with the Organization'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.

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE L – ENDOWMENT COMPOSITION – CONTINUED

As required by GAAP, net assets associated with endowment funds, including funds designated by the Board of Trustees to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

From time to time, the fair value of assets associated with individual donor-restricted endowment funds may fall below the level the donor requires the Organization to retain as a fund of perpetual duration. In accordance with U.S. GAAP, the deficiencies of this nature that are reported as unrestricted net assets totaled \$38,773 and \$33,641 as of August 31, 2009 and 2008, respectively.

Endowment net asset composition by type of fund as of August 31, 2009 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Donor-restricted endowment funds	\$ (38,773)	\$ -	\$ 1,986,934	\$ 1,948,161
Board-designated endowment funds	867,905	-	-	867,905
Total Funds	<u>\$ 829,132</u>	<u>\$ -</u>	<u>\$ 1,986,934</u>	<u>\$ 2,816,066</u>

Changes in endowment net assets for the year ended August 31, 2009 were:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Endowment net assets, August 31, 2008	\$ 900,857	\$ -	\$ 1,225,071	\$ 2,125,928
Contributions	10,500	-	814,945	825,445
Written off Receivables	-	-	(53,082)	(53,082)
Investment Income	14,220	23,291	-	37,511
Net appreciation (depreciation)	(96,445)	(23,291)	-	(119,736)
Amounts appropriated for expenditure	-	-	-	-
Endowment net assets, August 31, 2009	<u>\$ 829,132</u>	<u>\$ -</u>	<u>\$ 1,986,934</u>	<u>\$ 2,816,066</u>

Endowment net asset composition by type of fund as of August 31, 2008 is as follows:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total Net Endowment Assets</u>
Donor-restricted endowment funds	\$ (33,641)	\$ -	\$ 1,225,071	\$ 1,191,430
Board-designated endowment funds	934,498	-	-	934,498
Total Funds	<u>\$ 900,857</u>	<u>\$ -</u>	<u>\$ 1,225,071</u>	<u>\$ 2,125,928</u>

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE L – ENDOWMENT COMPOSITION – CONTINUED

Changes in endowment net assets for the year ended August 31, 2008 were:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total Net Endowment Assets
Endowment net assets, August 31, 2007	\$ 947,987	\$ -	\$ 260,000	\$ 1,207,987
Cumulative effect of change in				
accounting principle	(8,120)	8,120	-	-
Contributions	39,084	-	965,071	1,004,155
Investment Income	22,875	15,039	-	37,914
Net appreciation (depreciation)	(100,969)	(23,159)	-	(124,128)
Amounts appropriated for expenditure	-	-	-	-
Endowment net assets, August 31, 2008	\$ 900,857	\$ -	\$ 1,225,071	\$ 2,125,928

#### NOTE M – RELATED PARTY TRANSACTIONS

The Organization engaged in the following related party transactions in 2009 and 2008:

- During 2008, the Organization entered into a \$2.5 million mortgage for renovations on its new headquarters building. The Executive Vice-President (“VP”) and Chief Operating Officer (“COO”) of Children’s Miracle Network was an uncompensated member of the Board of Directors of the lending institution during 2008. During 2009, the Executive VP and COO became President and Chief Executive Officer of Children’s Miracle Network and remains an uncompensated member of the Board of Directors of the lending institution.
- During 2008, the Organization contributed \$150,000 to the Osmond 50<sup>th</sup> Anniversary celebration. Certain members of the Osmond family are on the Board of Trustees.

#### NOTE N - CONCENTRATIONS OF CREDIT RISK

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of cash, cash equivalents and investments. The Organization places its cash and investments with high credit quality financial institutions and generally limits the amount of credit exposure to the amount in excess of the FDIC insurance coverage limit of \$250,000 (limit as of August 31, 2009). From time to time throughout the year, the Organization’s cash and investment balances may exceed the amount of the FDIC insurance coverage. The Organization, however, does not anticipate nonperformance by the institutions.

## 2009 FINANCIAL STATEMENTS

Children's Miracle Network and Subsidiaries

### NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

August 31, 2009 and 2008

#### NOTE O – SUBSIDIARIES

During 2008, Children's Miracle Network Ireland was established as a wholly owned subsidiary of Children's Miracle Network with charity status granted by the Charities Section of the Office of the Revenue Commissioners. Operations commenced on April 9, 2008, and the consolidated financial statements as of and for the year ended August 31, 2008 include Children's Miracle Network Ireland.

During 2008, Children's Miracle Network Australia was established as a wholly-owned subsidiary of Children's Miracle Network. Operations commenced on August 1, 2008, and the consolidated financial statements dated August 31, 2008 contain no assets, liabilities, net assets, revenues and gains, or expenses and losses associated with Children's Miracle Network Australia.

During 2008, Cure Kids' Cancer was merged into Children's Miracle Network. All assets, liabilities and net assets were transferred to Children's Miracle Network. Fundraising for pediatric cancer care and research will continue within Children's Miracle Network under the separate Cure Kids' Cancer brand.

#### NOTE P – SUBSEQUENT EVENTS

The Organization evaluated its August 31, 2009 financial statements for subsequent events through December 15, 2009, the date the financial statements were available to be issued.



**Report of Independent Certified Public Accountants  
on Supplemental Information**

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Executive Committee and Board of Trustees  
Children's Miracle Network and Subsidiary

Our audit was conducted for the purpose of forming an opinion on the consolidated financial statements taken as a whole of Children's Miracle Network and Subsidiaries as of August 31, 2009, which are presented in the preceding section of this report. The consolidating information on pages 30 and 31 is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position and change in net assets of the individual entities. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the consolidated financial statements taken as a whole.

A handwritten signature in black ink that reads "Grant Thornton LLP".

Salt Lake City, Utah  
December 15, 2009



## 2009 FINANCIAL STATEMENTS

### Children's Miracle Network and Subsidiaries

#### CONSOLIDATING STATEMENTS OF FINANCIAL POSITION

August 31, 2009

#### ASSETS

	CMN	UKC	UKE	Ireland	Australia	Total
<b>ASSETS</b>						
Cash and cash equivalents						
Unrestricted	\$ 15,195,087	\$ 250,155	\$ 322,282	\$ 73,288	\$ 32,061	\$ 15,872,873
Restricted	24,019,489	2	-	-	-	24,019,491
Investments						
Unrestricted	9,848,097	-	-	-	-	9,848,097
Contributions receivable	207,305	-	-	-	-	207,305
Accounts receivable, net of allowance for doubtful accounts of \$55,612	2,062,345	-	20,480	2,914	-	2,085,739
Intercompany receivable/(payable)	1,455,439	(402,234)	(695,359)	(203,424)	(154,422)	-
Prepaid expenses and other current assets	729,850	-	753	10,130	-	740,733
Property, furniture and equipment, net	9,310,291	-	-	-	-	9,310,291
Non-current contributions receivable, net of allowance for doubtful accounts	419,946	-	-	-	-	419,946
Other non-current assets	193,817	-	-	-	-	193,817
Total assets	<u>\$ 63,441,666</u>	<u>\$ (152,077)</u>	<u>\$ (351,844)</u>	<u>\$ (117,092)</u>	<u>\$ (122,361)</u>	<u>\$ 62,698,292</u>

#### LIABILITIES AND NET ASSETS

<b>LIABILITIES</b>						
Accounts payable	\$ 4,410,162	\$ 680	\$ 34,085	\$ 27,736	\$ 7,490	\$ 4,480,153
Accrued liabilities	552,256	-	-	4,315	-	556,571
Payable to participating hospitals	23,137,218	2	-	-	-	23,137,220
Payable to partners	882,271	-	-	-	-	882,271
Deferred revenue	9,129,157	-	-	-	-	9,129,157
Notes payable - current portion	139,906	-	-	-	-	139,906
Notes payable	4,763,520	-	-	-	-	4,763,520
Other long-term liabilities	76,440	-	-	-	-	76,440
Total liabilities	<u>43,090,930</u>	<u>682</u>	<u>34,085</u>	<u>32,051</u>	<u>7,490</u>	<u>43,165,238</u>
<b>NET ASSETS</b>						
Unrestricted	17,753,972	(152,759)	(385,929)	(149,143)	(129,851)	16,936,290
Temporarily restricted	609,830	-	-	-	-	609,830
Permanently restricted	1,986,934	-	-	-	-	1,986,934
Total net assets	<u>20,350,736</u>	<u>(152,759)</u>	<u>(385,929)</u>	<u>(149,143)</u>	<u>(129,851)</u>	<u>19,533,054</u>
Total liabilities and net assets	<u>\$ 63,441,666</u>	<u>\$ (152,077)</u>	<u>\$ (351,844)</u>	<u>\$ (117,092)</u>	<u>\$ (122,361)</u>	<u>\$ 62,698,292</u>

## 2009 FINANCIAL STATEMENTS

### Children's Miracle Network and Subsidiaries

#### CONSOLIDATING STATEMENTS OF ACTIVITIES

Year ended August 31, 2009

	CMN	UKC	UKE	Ireland	Australia	Total
<b>Revenues:</b>						
Hospital fees	\$ 16,862,932	\$ -	\$ 31,614	\$ 35,721	\$ 6,637	\$ 16,936,904
Production underwriting gifts	9,707,151	211,352	280,915	-	18,253	10,217,671
Direct mail	3,373,539	-	-	-	-	3,373,539
Donations-in-kind	1,813,457	18,704	-	19,019	-	1,851,180
Campaign	2,645,383	-	-	-	-	2,645,383
Licensing fees	465,214	-	-	-	-	465,214
Endowments, major gifts, and grants	<u>825,445</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>825,445</u>
Total Revenues	<u>35,693,121</u>	<u>230,056</u>	<u>312,529</u>	<u>54,740</u>	<u>24,890</u>	<u>36,315,336</u>
<b>Other revenue:</b>						
Interest and dividend income	678,027	160	4,519	-	-	682,706
Net realized loss on investments	(616,435)	-	-	-	-	(616,435)
Net unrealized loss on investments	(591,392)	-	-	-	-	(591,392)
Gain on sale of fixed assets, net	13,384	-	-	-	-	13,384
Ancillary revenue	<u>1,212,987</u>	<u>9,757</u>	<u>-</u>	<u>74,423</u>	<u>-</u>	<u>1,297,167</u>
Total revenues, gains and other support	<u>36,389,692</u>	<u>239,973</u>	<u>317,048</u>	<u>129,163</u>	<u>24,890</u>	<u>37,100,766</u>
<b>Expenses and losses:</b>						
<b>Program services</b>						
Community services and outreach support	11,239,137	160,888	406,370	207,340	118,111	12,131,846
Network program services	<u>20,368,674</u>	<u>20,627</u>	<u>52,099</u>	<u>26,582</u>	<u>15,142</u>	<u>20,483,124</u>
Total program services	<u>31,607,811</u>	<u>181,515</u>	<u>458,469</u>	<u>233,922</u>	<u>133,253</u>	<u>32,614,970</u>
<b>Support services</b>						
Fund raising	1,259,321	4,125	10,420	5,316	3,029	1,282,211
Management and general	<u>2,727,259</u>	<u>20,627</u>	<u>52,099</u>	<u>26,582</u>	<u>15,142</u>	<u>2,841,709</u>
Total support services	<u>3,986,580</u>	<u>24,752</u>	<u>62,519</u>	<u>31,898</u>	<u>18,171</u>	<u>4,123,920</u>
Total expenses and losses	<u>35,594,391</u>	<u>206,267</u>	<u>520,988</u>	<u>265,820</u>	<u>151,424</u>	<u>36,738,890</u>
Other loss	<u>14,897</u>	<u>3,077</u>	<u>23,506</u>	<u>10,916</u>	<u>3,317</u>	<u>55,713</u>
Change in net assets	780,404	30,629	(227,446)	(147,573)	(129,851)	306,163
Net assets, beginning of year	<u>19,570,332</u>	<u>(183,388)</u>	<u>(158,483)</u>	<u>(1,570)</u>	<u>-</u>	<u>19,226,891</u>
Net assets, end of year	<u>\$ 20,350,736</u>	<u>\$ (152,759)</u>	<u>\$ (385,929)</u>	<u>\$ (149,143)</u>	<u>\$ (129,851)</u>	<u>\$ 19,533,054</u>



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