

# Return of Organization Exempt From Income Tax

Under section 501(c), 527, or 4947(a)(1) of the Internal Revenue Code (except black lung benefit trust or private foundation)

**2012**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ The organization may have to use a copy of this return to satisfy state reporting requirements.

**A** For the 2012 calendar year, or tax year beginning 07/01, 2012, and ending 06/30, 2013

**B** Check if applicable:  
 Address change  
 Name change  
 Initial return  
 Terminated  
 Amended return  
 Application pending

**C** Name of organization: OPERATION SMILE, INC.  
 Doing Business As  
 Number and street (or P.O. box if mail is not delivered to street address) Room/suite  
3641 FACULTY BLVD  
 City or town, state or country, and ZIP + 4  
VIRGINIA BEACH, VA 23453

**D** Employer identification number: 54-1460147

**E** Telephone number: (757) 321-7645

**F** Name and address of principal officer: KATHLEEN S. MAGEE  
3641 FACULTY BOULEVARD VIRGINIA BEACH, VA 23453

**G** Gross receipts \$ 53,533,490.

**H(a)** Is this a group return for affiliates?  Yes  No  
**H(b)** Are all affiliates included?  Yes  No  
 If "No," attach a list. (see instructions)

**I** Tax-exempt status:  501(c)(3)  501(c) ( ) ◀ (insert no.)  4947(a)(1) or  527

**J** Website: ▶ HTTP://WWW.OPERATIONSMILE.ORG

**K** Form of organization:  Corporation  Trust  Association  Other ▶

**L** Year of formation: 1987 **M** State of legal domicile: VA

**Part I Summary**

<b>Activities &amp; Governance</b>	<b>1</b> Briefly describe the organization's mission or most significant activities: <u>OPERATION SMILE SAVES LIVES BY GIVING FREE SURGERY AND RELATED CARE TO CHILDREN WITH CLEFTS, CREATES SUSTAINABILITY IN DEVELOPING COUNTRIES BY TRAINING LOCAL MEDICAL PROFESSIONALS, AND EDUCATES THE PUBLIC.</u>		
	<b>2</b> Check this box <input type="checkbox"/> if the organization discontinued its operations or disposed of more than 25% of its net assets.		
	<b>3</b> Number of voting members of the governing body (Part VI, line 1a)	<u>3</u>	<u>10.</u>
	<b>4</b> Number of independent voting members of the governing body (Part VI, line 1b)	<u>4</u>	<u>7.</u>
	<b>5</b> Total number of individuals employed in calendar year 2012 (Part V, line 2a)	<u>5</u>	<u>149.</u>
	<b>6</b> Total number of volunteers (estimate if necessary)	<u>6</u>	<u>5,000.</u>
	<b>7a</b> Total gross unrelated business revenue from Part VIII, column (C), line 12	<u>7a</u>	<u>0</u>
<b>b</b> Net unrelated business taxable income from Form 990-T, line 34	<u>7b</u>	<u>0</u>	
<b>Revenue</b>	<b>8</b> Contributions and grants (Part VIII, line 1h)	Prior Year	Current Year
	<b>9</b> Program service revenue (Part VIII, line 2g)	<u>55,871,199.</u>	<u>52,124,792.</u>
	<b>10</b> Investment income (Part VIII, column (A), lines 3, 4, and 7d)	<u>1,162,522.</u>	<u>687,755.</u>
	<b>11</b> Other revenue (Part VIII, column (A), lines 5, 6d, 8c, 9c, 10c, and 11e)	<u>16,544.</u>	<u>16,811.</u>
	<b>12</b> Total revenue - add lines 8 through 11 (must equal Part VIII, column (A), line 12)	<u>56,474,410.</u>	<u>52,130,252.</u>
<b>Expenses</b>	<b>13</b> Grants and similar amounts paid (Part IX, column (A), lines 1-3)	<u>7,450,514.</u>	<u>6,362,331.</u>
	<b>14</b> Benefits paid to or for members (Part IX, column (A), line 4)	<u>0</u>	<u>0</u>
	<b>15</b> Salaries, other compensation, employee benefits (Part IX, column (A), lines 5-10)	<u>8,167,732.</u>	<u>8,627,597.</u>
	<b>16a</b> Professional fundraising fees (Part IX, column (A), line 11e)	<u>2,153,682.</u>	<u>2,847,623.</u>
	<b>b</b> Total fundraising expenses (Part IX, column (D), line 25) ▶ <u>16,568,079.</u>		
	<b>17</b> Other expenses (Part IX, column (A), lines 11a-11d, 11f-24f)	<u>33,856,044.</u>	<u>33,093,096.</u>
	<b>18</b> Total expenses. Add lines 13-17 (must equal Part IX, column (A), line 25)	<u>51,627,972.</u>	<u>50,930,647.</u>
<b>19</b> Revenue less expenses. Subtract line 18 from line 12	<u>4,846,438.</u>	<u>1,199,605.</u>	
<b>Net Assets or Fund Balances</b>	<b>20</b> Total assets (Part X, line 16)	Beginning of Current Year	End of Year
	<b>21</b> Total liabilities (Part X, line 26)	<u>45,205,335.</u>	<u>47,621,139.</u>
	<b>22</b> Net assets or fund balances. Subtract line 21 from line 20.	<u>15,464,083.</u>	<u>16,679,516.</u>

**Part II Signature Block**

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer (other than officer) is based on all information of which preparer has any knowledge.

**Sign Here** ▶ [Signature] Date 4/11/14  
 Signature of officer

▶ E. Wayne Zinn Chief Operating Officer  
 Type or print name and title

**Paid Preparer Use Only**

Print/Type preparer's name	Preparer's signature	Date	Check if self-employed <input type="checkbox"/>	PTIN
Firm's name ▶ <u>KPMG LLP</u>				<u>P00634378</u>
Firm's address ▶ <u>1676 INTERNATIONAL DRIVE MCLEAN, VA 22102</u>			EIN ▶ <u>13-5565207</u>	
			Phone no. ▶ <u>703-286-8000</u>	

May the IRS discuss this return with the preparer shown above? (see instructions)  Yes  No

For Paperwork Reduction Act Notice, see the separate instructions.

**Part III Statement of Program Service Accomplishments**

Check if Schedule O contains a response to any question in this Part III  X

1 Briefly describe the organization's mission:

SEE SCHEDULE O

2 Did the organization undertake any significant program services during the year which were not listed on the prior Form 990 or 990-EZ?  Yes  No

If "Yes," describe these new services on Schedule O.

3 Did the organization cease conducting, or make significant changes in how it conducts, any program services?  Yes  No

If "Yes," describe these changes on Schedule O.

4 Describe the organization's program service accomplishments for each of its three largest program services, as measured by expenses. Section 501(c)(3) and 501(c)(4) organizations are required to report the amount of grants and allocations to others, the total expenses, and revenue, if any, for each program service reported.

4a (Code: ) (Expenses \$ 13,035,018. including grants of \$ 1,349,430. ) (Revenue \$ 305,543. )

ATTACHMENT 1

4b (Code: ) (Expenses \$ 14,444,339. including grants of \$ 5,012,901. ) (Revenue \$ 382,212. )

ATTACHMENT 2

4c (Code: ) (Expenses \$ including grants of \$ ) (Revenue \$ )

4d Other program services (Describe in Schedule O.)

(Expenses \$ including grants of \$ ) (Revenue \$ )

4e Total program service expenses ► 27,479,357.

**Part IV Checklist of Required Schedules**

	Yes	No
1 Is the organization described in section 501(c)(3) or 4947(a)(1) (other than a private foundation)? <i>If "Yes," complete Schedule A</i> . . . . .	1 X	
2 Is the organization required to complete <i>Schedule B, Schedule of Contributors</i> (see instructions)? . . . . .	2 X	
3 Did the organization engage in direct or indirect political campaign activities on behalf of or in opposition to candidates for public office? <i>If "Yes," complete Schedule C, Part I</i> . . . . .	3	X
4 <b>Section 501(c)(3) organizations.</b> Did the organization engage in lobbying activities, or have a section 501(h) election in effect during the tax year? <i>If "Yes," complete Schedule C, Part II</i> . . . . .	4	X
5 Is the organization a section 501(c)(4), 501(c)(5), or 501(c)(6) organization that receives membership dues, assessments, or similar amounts as defined in Revenue Procedure 98-19? <i>If "Yes," complete Schedule C, Part III</i> . . . . .	5	X
6 Did the organization maintain any donor advised funds or any similar funds or accounts for which donors have the right to provide advice on the distribution or investment of amounts in such funds or accounts? <i>If "Yes," complete Schedule D, Part I</i> . . . . .	6	X
7 Did the organization receive or hold a conservation easement, including easements to preserve open space, the environment, historic land areas, or historic structures? <i>If "Yes," complete Schedule D, Part II</i> . . . . .	7	X
8 Did the organization maintain collections of works of art, historical treasures, or other similar assets? <i>If "Yes," complete Schedule D, Part III</i> . . . . .	8	X
9 Did the organization report an amount in Part X, line 21, for escrow or custodial account liability; serve as a custodian for amounts not listed in Part X; or provide credit counseling, debt management, credit repair, or debt negotiation services? <i>If "Yes," complete Schedule D, Part IV</i> . . . . .	9	X
10 Did the organization, directly or through a related organization, hold assets in temporarily restricted endowments, permanent endowments, or quasi-endowments? <i>If "Yes," complete Schedule D, Part V</i> . . . . .	10	X
11 If the organization's answer to any of the following questions is "Yes," then complete Schedule D, Parts VI, VII, VIII, IX, or X as applicable.		
a Did the organization report an amount for land, buildings, and equipment in Part X, line 10? <i>If "Yes," complete Schedule D, Part VI</i> . . . . .	11a X	
b Did the organization report an amount for investments-other securities in Part X, line 12 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VII</i> . . . . .	11b	X
c Did the organization report an amount for investments-program related in Part X, line 13 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part VIII</i> . . . . .	11c	X
d Did the organization report an amount for other assets in Part X, line 15 that is 5% or more of its total assets reported in Part X, line 16? <i>If "Yes," complete Schedule D, Part IX</i> . . . . .	11d	X
e Did the organization report an amount for other liabilities in Part X, line 25? <i>If "Yes," complete Schedule D, Part X</i> . . . . .	11e X	
f Did the organization's separate or consolidated financial statements for the tax year include a footnote that addresses the organization's liability for uncertain tax positions under FIN 48 (ASC 740)? <i>If "Yes," complete Schedule D, Part X</i> . . . . .	11f	X
12 a Did the organization obtain separate, independent audited financial statements for the tax year? <i>If "Yes," complete Schedule D, Parts XI and XII</i> . . . . .	12a X	
b Was the organization included in consolidated, independent audited financial statements for the tax year? <i>If "Yes," and if the organization answered "No" to line 12a, then completing Schedule D, Parts XI and XII is optional</i> . . . . .	12b	X
13 Is the organization a school described in section 170(b)(1)(A)(ii)? <i>If "Yes," complete Schedule E</i> . . . . .	13	X
14 a Did the organization maintain an office, employees, or agents outside of the United States? . . . . .	14a X	
b Did the organization have aggregate revenues or expenses of more than \$10,000 from grantmaking, fundraising, business, investment, and program service activities outside the United States, or aggregate foreign investments valued at \$100,000 or more? <i>If "Yes," complete Schedule F, Parts I and IV</i> . . . . .	14b X	
15 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of grants or assistance to any organization or entity located outside the United States? <i>If "Yes," complete Schedule F, Parts II and IV</i> . . . . .	15 X	
16 Did the organization report on Part IX, column (A), line 3, more than \$5,000 of aggregate grants or assistance to individuals located outside the United States? <i>If "Yes," complete Schedule F, Parts III and IV</i> . . . . .	16 X	
17 Did the organization report a total of more than \$15,000 of expenses for professional fundraising services on Part IX, column (A), lines 6 and 11e? <i>If "Yes," complete Schedule G, Part I (see instructions)</i> . . . . .	17 X	
18 Did the organization report more than \$15,000 total of fundraising event gross income and contributions on Part VIII, lines 1c and 8a? <i>If "Yes," complete Schedule G, Part II</i> . . . . .	18 X	
19 Did the organization report more than \$15,000 of gross income from gaming activities on Part VIII, line 9a? <i>If "Yes," complete Schedule G, Part III</i> . . . . .	19	X
20 a Did the organization operate one or more hospital facilities? <i>If "Yes," complete Schedule H</i> . . . . .	20a	X
b <i>If "Yes" to line 20a, did the organization attach a copy of its audited financial statements to this return?</i> . . . . .	20b	

Part IV Checklist of Required Schedules (continued)

Table with 3 columns: Question, Yes, No. Rows 21-38 detailing various organizational requirements and reporting obligations.

Part V Statements Regarding Other IRS Filings and Tax Compliance

Check if Schedule O contains a response to any question in this Part V. X

Table with columns for question number, description, and Yes/No boxes. Includes questions 1a through 14b regarding Form 1096, Form W-2G, gaming winnings, Form W-3, foreign accounts, prohibited transactions, and charitable contributions.

Part VI Governance, Management, and Disclosure For each "Yes" response to lines 2 through 7b below, and for a "No" response to line 8a, 8b, or 10b below, describe the circumstances, processes, or changes in Schedule O. See instructions.

Check if Schedule O contains a response to any question in this Part VI. [X]

Section A. Governing Body and Management

Table with 4 columns: Question, Line Number, Yes, No. Rows include questions about voting members, family relationships, management control, governance decisions, and meeting documentation.

Section B. Policies (This Section B requests information about policies not required by the Internal Revenue Code.)

Table with 4 columns: Question, Line Number, Yes, No. Rows include questions about local chapters, written policies, conflict of interest, whistleblower policy, document retention, and joint ventures.

Section C. Disclosure

- 17 List the states with which a copy of this Form 990 is required to be filed ATTACHMENT 4
18 Section 6104 requires an organization to make its Forms 1023 (or 1024 if applicable), 990, and 990-T (Section 501(c)(3)s only) available for public inspection. Indicate how you made these available. Check all that apply.
19 Describe in Schedule O whether (and if so, how), the organization made its governing documents, conflict of interest policy, and financial statements available to the public during the tax year.
20 State the name, physical address, and telephone number of the person who possesses the books and records of the organization: ERNEST ZINN 3641 FACULTY BOULEVARD VIRGINIA BEACH, VA 23453 757-321-7645

**Part VII Compensation of Officers, Directors, Trustees, Key Employees, Highest Compensated Employees, and Independent Contractors**

Check if Schedule O contains a response to any question in this Part VII  X

**Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees**

1a Complete this table for all persons required to be listed. Report compensation for the calendar year ending with or within the organization's tax year.

- List all of the organization's current officers, directors, trustees (whether individuals or organizations), regardless of amount of compensation. Enter -0- in columns (D), (E), and (F) if no compensation was paid.
- List all of the organization's current key employees, if any. See instructions for definition of "key employee."
- List the organization's five current highest compensated employees (other than an officer, director, trustee, or key employee) who received reportable compensation (Box 5 of Form W-2 and/or Box 7 of Form 1099-MISC) of more than \$100,000 from the organization and any related organizations.
- List all of the organization's former officers, key employees, and highest compensated employees who received more than \$100,000 of reportable compensation from the organization and any related organizations.
- List all of the organization's former directors or trustees that received, in the capacity as a former director or trustee of the organization, more than \$10,000 of reportable compensation from the organization and any related organizations.

List persons in the following order: individual trustees or directors; institutional trustees; officers; key employees; highest compensated employees; and former such persons.

Check this box if neither the organization nor any related organization compensated any current officer, director, or trustee.

(A) Name and Title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
(1) WILLIAM P. MAGEE JR., D.D.S.M.D. EXEC CHAIRMAN & DIRECTOR	40.00 1.00	X		X				355,685.	0	24,419.
(2) KATHLEEN S. MAGEE, M.S.W., M.ED. PRESIDENT & DIRECTOR	40.00 1.00	X		X				0	0	0
(3) FELIPE ENCINALES TREASURER & DIRECTOR	1.00	X		X				0	0	0
(4) WILLIAM R. FOX CHAIRMAN & DIRECTOR	25.00 1.00	X		X				0	0	0
(5) RANDY SHERMAN, M.D. CMO & DIRECTOR	20.00	X		X				0	0	0
(6) DONALD TRUMP, JR. DIRECTOR	1.00	X						0	0	0
(7) GARY LOH DIRECTOR	1.00	X						0	0	0
(8) CHAI PATEL, M.D. DIRECTOR	1.00	X						0	0	0
(9) ALBERTO MOTTA, JR. DIRECTOR	1.00	X						0	0	0
(10) CARL W. TRELEAVEN DIRECTOR	1.00	X						0	0	0
(11) FRANK REIDY DIRECTOR	1.00	X						0	0	0
(12) KYLA SHAWYER COO	40.00			X				205,500.	0	23,506.
(13) HOWARD UNGER CEO	40.00 1.00			X				257,629.	62,500.	25,824.
(14) TERESA KRAUS SENIOR VP FINANCE	40.00 1.00			X				136,458.	0	17,292.

**Part VII Section A. Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees (continued)**

(A) Name and title	(B) Average hours per week (list any hours for related organizations below dotted line)	(C) Position (do not check more than one box, unless person is both an officer and a director/trustee)						(D) Reportable compensation from the organization (W-2/1099-MISC)	(E) Reportable compensation from related organizations (W-2/1099-MISC)	(F) Estimated amount of other compensation from the organization and related organizations
		Individual trustee or director	Institutional trustee	Officer	Key employee	Highest compensated employee	Former			
( 15) WILLIAM KLIEWER CEO	40.00			X				77,643.	0	8,638.
( 16) LISA JARDANHAZY VP, STRATEGIC PSHIPS & CRM	40.00					X		125,130.	0	16,273.
( 17) KRISTIE MAGEE PORCARO SVP, STRATEGIC PSHIPS & DEVEL	40.00					X		133,055.	0	17,358.
( 18) YVONNE WRAY SR. DIRECTOR, REGIONAL DEVELOP	40.00					X		109,105.	0	14,830.
( 19) RUBEN AYALA SVP, INTL PRGS & MEDICAL AFFAI	40.00					X		116,459.	0	15,492.
( 20) NATALIE MILLER VP, INTERNATIONAL DEVELOPMENT	40.00					X		120,939.	0	11,313.
<b>1b Sub-total</b>								955,272.	62,500.	91,041.
<b>c Total from continuation sheets to Part VII, Section A</b>								682,331.	0	83,904.
<b>d Total (add lines 1b and 1c)</b>								1,637,603.	62,500.	174,945.

**2** Total number of individuals (including but not limited to those listed above) who received more than \$100,000 of reportable compensation from the organization **12**

	Yes	No
<b>3</b> Did the organization list any former officer, director, or trustee, key employee, or highest compensated employee on line 1a? <i>If "Yes," complete Schedule J for such individual</i>		X
<b>4</b> For any individual listed on line 1a, is the sum of reportable compensation and other compensation from the organization and related organizations greater than \$150,000? <i>If "Yes," complete Schedule J for such individual</i>	X	
<b>5</b> Did any person listed on line 1a receive or accrue compensation from any unrelated organization or individual for services rendered to the organization? <i>If "Yes," complete Schedule J for such person</i>		X

**Section B. Independent Contractors**

**1** Complete this table for your five highest compensated independent contractors that received more than \$100,000 of compensation from the organization. Report compensation for the calendar year ending with or within the organization's tax year.

(A) Name and business address	(B) Description of services	(C) Compensation
ATTACHMENT 5		

**2** Total number of independent contractors (including but not limited to those listed above) who received more than \$100,000 in compensation from the organization **9**



**Part VIII Statement of Revenue**

Check if Schedule O contains a response to any question in this Part VIII

			(A) Total revenue	(B) Related or exempt function revenue	(C) Unrelated business revenue	(D) Revenue excluded from tax under sections 512, 513, or 514	
<b>Contributions, Gifts, Grants and Other Similar Amounts</b>	1a	Federated campaigns . . . . .	1a	202,452.			
	b	Membership dues . . . . .	1b				
	c	Fundraising events . . . . .	1c	4,300,460.			
	d	Related organizations . . . . .	1d				
	e	Government grants (contributions) . .	1e	243,113.			
	f	All other contributions, gifts, grants, and similar amounts not included above .	1f	47,378,767.			
	g	Noncash contributions included in lines 1a-1f. \$		2,276,474.			
	h	<b>Total. Add lines 1a-1f . . . . .</b>		<b>52,124,792.</b>			
<b>Program Service Revenue</b>	2a	<u>YOUTH CONFERENCES</u>	<b>Business Code</b>	427,504.	427,504.		
	b	<u>MISSION ADMISSION</u>		255,451.	255,451.		
	c	<u>EDUCATION CONFERENCES</u>		4,800.	4,800.		
	d						
	e						
	f	All other program service revenue . . . . .					
	g	<b>Total. Add lines 2a-2f . . . . .</b>		<b>687,755.</b>			
<b>Other Revenue</b>	3	Investment income (including dividends, interest, and other similar amounts) . . . . .		16,942.			16,942.
	4	Income from investment of tax-exempt bond proceeds . . . .		0			
	5	Royalties . . . . .		0			
	6a	Gross rents . . . . .	(i) Real (ii) Personal				
	b	Less: rental expenses . . . . .					
	c	Rental income or (loss) . . . . .					
	d	Net rental income or (loss) . . . . .					0
	7a	Gross amount from sales of assets other than inventory . . . . .	(i) Securities (ii) Other	306,463.			
	b	Less: cost or other basis and sales expenses . . . . .		306,594.			
	c	Gain or (loss) . . . . .		-131.			
	d	Net gain or (loss) . . . . .					-131.
	8a	Gross income from fundraising events (not including \$ <u>4,300,460.</u> of contributions reported on line 1c). See Part IV, line 18 . . . . .	a	378,741.			
	b	Less: direct expenses . . . . .	b	1,096,644.			
	c	Net income or (loss) from fundraising events . . . . .					-717,903.
	9a	Gross income from gaming activities. See Part IV, line 19 . . . . .	a				
b	Less: direct expenses . . . . .	b					
c	Net income or (loss) from gaming activities . . . . .					0	
10a	Gross sales of inventory, less returns and allowances . . . . .	a					
b	Less: cost of goods sold . . . . .	b					
c	Net income or (loss) from sales of inventory . . . . .					0	
<b>Miscellaneous Revenue</b>			<b>Business Code</b>				
11a	<u>CURRENCY GAIN</u>	900099	17,107.			17,107.	
b	<u>MISCELLANEOUS</u>	900099	1,690.			1,690.	
c							
d	All other revenue . . . . .						
e	<b>Total. Add lines 11a-11d . . . . .</b>		<b>18,797.</b>				
12	<b>Total revenue. See Instructions . . . . .</b>		<b>52,130,252.</b>	<b>687,755.</b>		<b>-682,295.</b>	

**Part IX Statement of Functional Expenses**

Section 501(c)(3) and 501(c)(4) organizations must complete all columns. All other organizations must complete column (A).

Check if Schedule O contains a response to any question in this Part IX

Do not include amounts reported on lines 6b, 7b, 8b, 9b, and 10b of Part VIII.	(A) Total expenses	(B) Program service expenses	(C) Management and general expenses	(D) Fundraising expenses
1 Grants and other assistance to governments and organizations in the United States. See Part IV, line 21 . . . . .	168,254.	168,254.		
2 Grants and other assistance to individuals in the United States. See Part IV, line 22 . . . . .	0			
3 Grants and other assistance to governments, organizations, and individuals outside the United States. See Part IV, lines 15 and 16 . . . . .	6,194,077.	6,194,077.		
4 Benefits paid to or for members . . . . .	0			
5 Compensation of current officers, directors, trustees, and key employees . . . . .	1,846,044.	589,234.	579,179.	677,631.
6 Compensation not included above, to disqualified persons (as defined under section 4958(f)(1)) and persons described in section 4958(c)(3)(B) . . . . .	71,165.	51,784.	10,786.	8,595.
7 Other salaries and wages . . . . .	5,215,875.	2,409,796.	1,480,038.	1,326,041.
8 Pension plan accruals and contributions (Include section 401(k) and 403(b) employer contributions) . . . . .	356,835.	174,173.	94,987.	87,675.
9 Other employee benefits . . . . .	580,256.	327,617.	150,097.	102,542.
10 Payroll taxes . . . . .	557,422.	241,992.	162,194.	153,236.
11 Fees for services (non-employees):				
a Management . . . . .	0			
b Legal . . . . .	428,501.	19,581.	392,654.	16,266.
c Accounting . . . . .	113,240.	1,147.	109,464.	2,629.
d Lobbying . . . . .	0			
e Professional fundraising services. See Part IV, line 17 . . . . .	2,847,623.			2,847,623.
f Investment management fees . . . . .	1,530.		1,530.	
g Other. (If line 11g amount exceeds 10% of line 25, column (A) amount, list line 11g expenses on Schedule O.) . . . . .	3,182,993.	1,406,630.	845,995.	930,368.
12 Advertising and promotion . . . . .	1,355,161.	195,890.	97,297.	1,061,974.
13 Office expenses . . . . .	7,458,203.	5,991,258.	1,049,288.	417,657.
14 Information technology . . . . .	104,047.	25,825.	64,795.	13,427.
15 Royalties . . . . .	0			
16 Occupancy . . . . .	653,627.	328,882.	224,652.	100,093.
17 Travel . . . . .	3,830,506.	3,318,343.	233,352.	278,811.
18 Payments of travel or entertainment expenses for any federal, state, or local public officials . . . . .	0			
19 Conferences, conventions, and meetings . . . . .	246,083.	164,071.	34,187.	47,825.
20 Interest . . . . .	312,148.	5,413.	305,720.	1,015.
21 Payments to affiliates . . . . .	0			
22 Depreciation, depletion, and amortization . . . . .	599,847.	131,719.	468,128.	
23 Insurance . . . . .	91,587.	38,072.	52,654.	861.
24 Other expenses. Itemize expenses not covered above (List miscellaneous expenses in line 24e. If line 24e amount exceeds 10% of line 25, column (A) amount, list line 24e expenses on Schedule O.)				
a PUBLIC EDUCATION -----	14,220,935.	5,301,206.	455,891.	8,463,838.
b OTHER MISSION EXPENSES -----	323,841.	323,841.		
c OTHER EXPENSE -----	170,847.	70,552.	70,323.	29,972.
d -----				
e All other expenses -----				
25 Total functional expenses. Add lines 1 through 24e	50,930,647.	27,479,357.	6,883,211.	16,568,079.
26 Joint costs. Complete this line only if the organization reported in column (B) joint costs from a combined educational campaign and fundraising solicitation. Check here <input checked="" type="checkbox"/> if following SOP 98-2 (ASC 958-720) . . . . .	16,859,388.	5,955,396.	1,076,129.	9,827,863.

**Part X Balance Sheet**

Check if Schedule O contains a response to any question in this Part X

		(A) Beginning of year		(B) End of year
<b>Assets</b>	1 Cash - non-interest-bearing	4,219,242.	1	5,432,151.
	2 Savings and temporary cash investments	2,928,304.	2	1,689,482.
	3 Pledges and grants receivable, net	14,145,340.	3	15,828,884.
	4 Accounts receivable, net	0	4	0
	5 Loans and other receivables from current and former officers, directors, trustees, key employees, and highest compensated employees. Complete Part II of Schedule L	0	5	0
	6 Loans and other receivables from other disqualified persons (as defined under section 4958(f)(1)), persons described in section 4958(c)(3)(B), and contributing employers and sponsoring organizations of section 501(c)(9) voluntary employees' beneficiary organizations (see instructions). Complete Part II of Schedule L	0	6	0
	7 Notes and loans receivable, net	76,919.	7	255,297.
	8 Inventories for sale or use	7,015,320.	8	5,419,218.
	9 Prepaid expenses and deferred charges	359,261.	9	181,026.
	10a Land, buildings, and equipment: cost or other basis. Complete Part VI of Schedule D	10a 23,097,009.		
	b Less: accumulated depreciation	10b 4,281,928.	16,345,662.	10c 18,815,081.
	11 Investments - publicly traded securities	115,287.	11	0
	12 Investments - other securities. See Part IV, line 11	0	12	0
	13 Investments - program-related. See Part IV, line 11	0	13	0
	14 Intangible assets	0	14	0
	15 Other assets. See Part IV, line 11	0	15	0
16 <b>Total assets.</b> Add lines 1 through 15 (must equal line 34)	45,205,335.	16	47,621,139.	
<b>Liabilities</b>	17 Accounts payable and accrued expenses	7,016,244.	17	4,187,866.
	18 Grants payable	0	18	0
	19 Deferred revenue	317,687.	19	194,125.
	20 Tax-exempt bond liabilities	0	20	0
	21 Escrow or custodial account liability. Complete Part IV of Schedule D	0	21	0
	22 Loans and other payables to current and former officers, directors, trustees, key employees, highest compensated employees, and disqualified persons. Complete Part II of Schedule L	0	22	0
	23 Secured mortgages and notes payable to unrelated third parties	8,130,152.	23	8,467,575.
	24 Unsecured notes and loans payable to unrelated third parties	0	24	1,000,000.
	25 Other liabilities (including federal income tax, payables to related third parties, and other liabilities not included on lines 17-24). Complete Part X of Schedule D	0	25	2,829,950.
	26 <b>Total liabilities.</b> Add lines 17 through 25	15,464,083.	26	16,679,516.
<b>Net Assets or Fund Balances</b>	Organizations that follow SFAS 117 (ASC 958), check here <input checked="" type="checkbox"/> and complete lines 27 through 29, and lines 33 and 34.			
	27 Unrestricted net assets	11,996,620.	27	16,369,104.
	28 Temporarily restricted net assets	17,744,632.	28	14,572,519.
	29 Permanently restricted net assets	0	29	0
	Organizations that do not follow SFAS 117 (ASC 958), check here <input type="checkbox"/> and complete lines 30 through 34.			
	30 Capital stock or trust principal, or current funds		30	
	31 Paid-in or capital surplus, or land, building, or equipment fund		31	
	32 Retained earnings, endowment, accumulated income, or other funds		32	
33 <b>Total net assets or fund balances</b>	29,741,252.	33	30,941,623.	
34 <b>Total liabilities and net assets/fund balances.</b>	45,205,335.	34	47,621,139.	

**Part XI Reconciliation of Net Assets**

Check if Schedule O contains a response to any question in this Part XI

1	Total revenue (must equal Part VIII, column (A), line 12)	1	52,130,252.
2	Total expenses (must equal Part IX, column (A), line 25)	2	50,930,647.
3	Revenue less expenses. Subtract line 2 from line 1	3	1,199,605.
4	Net assets or fund balances at beginning of year (must equal Part X, line 33, column (A))	4	29,741,252.
5	Net unrealized gains (losses) on investments	5	766.
6	Donated services and use of facilities	6	0
7	Investment expenses	7	0
8	Prior period adjustments	8	0
9	Other changes in net assets or fund balances (explain in Schedule O)	9	0
10	Net assets or fund balances at end of year. Combine lines 3 through 9 (must equal Part X, line 33, column (B))	10	30,941,623.

**Part XII Financial Statements and Reporting**

Check if Schedule O contains a response to any question in this Part XII

- 1 Accounting method used to prepare the Form 990:  Cash  Accrual  Other \_\_\_\_\_  
 If the organization changed its method of accounting from a prior year or checked "Other," explain in Schedule O.
- 2a Were the organization's financial statements compiled or reviewed by an independent accountant? . . . . .  
 If "Yes," check a box below to indicate whether the financial statements for the year were compiled or reviewed on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- b Were the organization's financial statements audited by an independent accountant? . . . . .  
 If "Yes," check a box below to indicate whether the financial statements for the year were audited on a separate basis, consolidated basis, or both:  
 Separate basis  Consolidated basis  Both consolidated and separate basis
- c If "Yes" to line 2a or 2b, does the organization have a committee that assumes responsibility for oversight of the audit, review, or compilation of its financial statements and selection of an independent accountant? If the organization changed either its oversight process or selection process during the tax year, explain in Schedule O.
- 3a As a result of a federal award, was the organization required to undergo an audit or audits as set forth in the Single Audit Act and OMB Circular A-133? . . . . .
- b If "Yes," did the organization undergo the required audit or audits? If the organization did not undergo the required audit or audits, explain why in Schedule O and describe any steps taken to undergo such audits

	Yes	No
2a		X
2b	X	
2c	X	
3a		X
3b		

**SCHEDULE A**  
(Form 990 or 990-EZ)

**Public Charity Status and Public Support**

OMB No. 1545-0047

**2012**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

Complete if the organization is a section 501(c)(3) organization or a section 4947(a)(1) nonexempt charitable trust.

▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

Name of the organization

OPERATION SMILE, INC.

Employer identification number

54-1460147

**Part I Reason for Public Charity Status** (All organizations must complete this part.) See instructions.

The organization is not a private foundation because it is: (For lines 1 through 11, check only one box.)

- 1  A church, convention of churches, or association of churches described in section 170(b)(1)(A)(i).
- 2  A school described in section 170(b)(1)(A)(ii). (Attach Schedule E.)
- 3  A hospital or a cooperative hospital service organization described in section 170(b)(1)(A)(iii).
- 4  A medical research organization operated in conjunction with a hospital described in section 170(b)(1)(A)(iii). Enter the hospital's name, city, and state: \_\_\_\_\_
- 5  An organization operated for the benefit of a college or university owned or operated by a governmental unit described in section 170(b)(1)(A)(iv). (Complete Part II.)
- 6  A federal, state, or local government or governmental unit described in section 170(b)(1)(A)(v).
- 7  An organization that normally receives a substantial part of its support from a governmental unit or from the general public described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 8  A community trust described in section 170(b)(1)(A)(vi). (Complete Part II.)
- 9  An organization that normally receives: (1) more than 33 1/3 % of its support from contributions, membership fees, and gross receipts from activities related to its exempt functions - subject to certain exceptions, and (2) no more than 33 1/3 % of its support from gross investment income and unrelated business taxable income (less section 511 tax) from businesses acquired by the organization after June 30, 1975. See section 509(a)(2). (Complete Part III.)
- 10  An organization organized and operated exclusively to test for public safety. See section 509(a)(4).
- 11  An organization organized and operated exclusively for the benefit of, to perform the functions of, or to carry out the purposes of one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2). See section 509(a)(3). Check the box that describes the type of supporting organization and complete lines 11e through 11h.
  - a  Type I    b  Type II    c  Type III-Functionally integrated    d  Type III-Non-functionally integrated
- e  By checking this box, I certify that the organization is not controlled directly or indirectly by one or more disqualified persons other than foundation managers and other than one or more publicly supported organizations described in section 509(a)(1) or section 509(a)(2).
- f If the organization received a written determination from the IRS that it is a Type I, Type II, or Type III supporting organization, check this box.
- g Since August 17, 2006, has the organization accepted any gift or contribution from any of the following persons?
  - (i) A person who directly or indirectly controls, either alone or together with persons described in (ii) and (iii) below, the governing body of the supported organization? 

	Yes	No
11g(i)		
11g(ii)		
11g(iii)		
  - (ii) A family member of a person described in (i) above? 

	Yes	No
11g(ii)		
  - (iii) A 35% controlled entity of a person described in (i) or (ii) above? 

	Yes	No
11g(iii)		
- h Provide the following information about the supported organization(s).

(i) Name of supported organization	(ii) EIN	(iii) Type of organization (described on lines 1-9 above or IRC section (see instructions))	(iv) Is the organization in col. (i) listed in your governing document?		(v) Did you notify the organization in col. (i) of your support?		(vi) Is the organization in col. (i) organized in the U.S.?		(vii) Amount of monetary support
			Yes	No	Yes	No	Yes	No	
(A)									
(B)									
(C)									
(D)									
(E)									
<b>Total</b>									

For Paperwork Reduction Act Notice, see the instructions for Form 990 or 990-EZ.

Schedule A (Form 990 or 990-EZ) 2012

Part II Support Schedule for Organizations Described in Sections 170(b)(1)(A)(iv) and 170(b)(1)(A)(vi) (Complete only if you checked the box on line 5, 7, or 8 of Part I or if the organization failed to qualify under Part III. If the organization fails to qualify under the tests listed below, please complete Part III.)

Section A. Public Support

Table with 7 columns: (a) 2008, (b) 2009, (c) 2010, (d) 2011, (e) 2012, (f) Total. Rows include: 1 Gifts, grants, contributions, and membership fees received; 2 Tax revenues levied for the organization's benefit; 3 The value of services or facilities furnished by a governmental unit; 4 Total. Add lines 1 through 3; 5 The portion of total contributions by each person (other than a governmental unit or publicly supported organization) included on line 1 that exceeds 2% of the amount shown on line 11, column (f); 6 Public support. Subtract line 5 from line 4.

Section B. Total Support

Table with 7 columns: (a) 2008, (b) 2009, (c) 2010, (d) 2011, (e) 2012, (f) Total. Rows include: 7 Amounts from line 4; 8 Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources; 9 Net income from unrelated business activities, whether or not the business is regularly carried on; 10 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) - ATTCH. 1; 11 Total support. Add lines 7 through 10; 12 Gross receipts from related activities, etc. (see instructions); 13 First five years. If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

Section C. Computation of Public Support Percentage

Table with 2 columns: Line number, Percentage. Rows include: 14 Public support percentage for 2012 (line 6, column (f) divided by line 11, column (f)) - 97.36%; 15 Public support percentage from 2011 Schedule A, Part II, line 14 - 93.48%; 16a 33 1/3% support test - 2012. If the organization did not check the box on line 13, and line 14 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization - [X]; 16b 33 1/3% support test - 2011. If the organization did not check a box on line 13 or 16a, and line 15 is 33 1/3% or more, check this box and stop here. The organization qualifies as a publicly supported organization - [ ]; 17a 10%-facts-and-circumstances test - 2012. If the organization did not check a box on line 13, 16a, or 16b, and line 14 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization - [ ]; 17b 10%-facts-and-circumstances test - 2011. If the organization did not check a box on line 13, 16a, 16b, or 17a, and line 15 is 10% or more, and if the organization meets the "facts-and-circumstances" test, check this box and stop here. Explain in Part IV how the organization meets the "facts-and-circumstances" test. The organization qualifies as a publicly supported organization - [ ]; 18 Private foundation. If the organization did not check a box on line 13, 16a, 16b, 17a, or 17b, check this box and see instructions - [ ]

**Part III Support Schedule for Organizations Described in Section 509(a)(2)**

(Complete only if you checked the box on line 9 of Part I or if the organization failed to qualify under Part II. If the organization fails to qualify under the tests listed below, please complete Part II.)

**Section A. Public Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
1 Gifts, grants, contributions, and membership fees received. (Do not include any "unusual grants.")						
2 Gross receipts from admissions, merchandise sold or services performed, or facilities furnished in any activity that is related to the organization's tax-exempt purpose . . . . .						
3 Gross receipts from activities that are not an unrelated trade or business under section 513 . . . . .						
4 Tax revenues levied for the organization's benefit and either paid to or expended on its behalf . . . . .						
5 The value of services or facilities furnished by a governmental unit to the organization without charge . . . . .						
6 Total. Add lines 1 through 5 . . . . .						
7a Amounts included on lines 1, 2, and 3 received from disqualified persons . . . . .						
b Amounts included on lines 2 and 3 received from other than disqualified persons that exceed the greater of \$5,000 or 1% of the amount on line 13 for the year . . . . .						
c Add lines 7a and 7b. . . . .						
8 Public support (Subtract line 7c from line 6.) . . . . .						

**Section B. Total Support**

Calendar year (or fiscal year beginning in) ▶	(a) 2008	(b) 2009	(c) 2010	(d) 2011	(e) 2012	(f) Total
9 Amounts from line 6. . . . .						
10a Gross income from interest, dividends, payments received on securities loans, rents, royalties and income from similar sources . . . . .						
b Unrelated business taxable income (less section 511 taxes) from businesses acquired after June 30, 1975 . . . . .						
c Add lines 10a and 10b . . . . .						
11 Net income from unrelated business activities not included in line 10b, whether or not the business is regularly carried on . . . . .						
12 Other income. Do not include gain or loss from the sale of capital assets (Explain in Part IV.) . . . . .						
13 Total support. (Add lines 9, 10c, 11, and 12.) . . . . .						

14 **First five years.** If the Form 990 is for the organization's first, second, third, fourth, or fifth tax year as a section 501(c)(3) organization, check this box and stop here.

**Section C. Computation of Public Support Percentage**

15 Public support percentage for 2012 (line 8, column (f) divided by line 13, column (f)). . . . .	15	%
16 Public support percentage from 2011 Schedule A, Part III, line 15. . . . .	16	%

**Section D. Computation of Investment Income Percentage**

17 Investment income percentage for 2012 (line 10c, column (f) divided by line 13, column (f)) . . . . .	17	%
18 Investment income percentage from 2011 Schedule A, Part III, line 17 . . . . .	18	%

19a **33 1/3% support tests - 2012.** If the organization did not check the box on line 14, and line 15 is more than 33 1/3%, and line 17 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

b **33 1/3% support tests - 2011.** If the organization did not check a box on line 14 or line 19a, and line 16 is more than 33 1/3%, and line 18 is not more than 33 1/3%, check this box and stop here. The organization qualifies as a publicly supported organization

20 **Private foundation.** If the organization did not check a box on line 14, 19a, or 19b, check this box and see instructions

**Part IV Supplemental Information.** Complete this part to provide the explanations required by Part II, line 10; Part II, line 17a or 17b; and Part III, line 12. Also complete this part for any additional information. (See instructions).

ATTACHMENT 1

SCHEDULE A, PART II - OTHER INCOME

DESCRIPTION	2008	2009	2010	2011	2012	TOTAL
OTHER REVENUE				114,814.		114,814.
<b>TOTALS</b>				<u>114,814</u>		<u>114,814</u>



**Schedule of Contributors**

▶ Attach to Form 990, Form 990-EZ, or Form 990-PF.

**2012**

Name of the organization

OPERATION SMILE, INC.

Employer identification number

54-1460147

Organization type (check one):

Filers of:

Section:

Form 990 or 990-EZ

501(c)(3) (enter number) organization

4947(a)(1) nonexempt charitable trust not treated as a private foundation

527 political organization

Form 990-PF

501(c)(3) exempt private foundation

4947(a)(1) nonexempt charitable trust treated as a private foundation

501(c)(3) taxable private foundation

Check if your organization is covered by the **General Rule** or a **Special Rule**.

**Note.** Only a section 501(c)(7), (8), or (10) organization can check boxes for both the General Rule and a Special Rule. See instructions.

**General Rule**

For an organization filing Form 990, 990-EZ, or 990-PF that received, during the year, \$5,000 or more (in money or property) from any one contributor. Complete Parts I and II.

**Special Rules**

For a section 501(c)(3) organization filing Form 990 or 990-EZ that met the 33 1/3 % support test of the regulations under sections 509(a)(1) and 170(b)(1)(A)(vi) and received from any one contributor, during the year, a contribution of the greater of (1) \$5,000 or (2) 2% of the amount on (i) Form 990, Part VIII, line 1h, or (ii) Form 990-EZ, line 1. Complete Parts I and II.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, total contributions of more than \$1,000 for use *exclusively* for religious, charitable, scientific, literary, or educational purposes, or the prevention of cruelty to children or animals. Complete Parts I, II, and III.

For a section 501(c)(7), (8), or (10) organization filing Form 990 or 990-EZ that received from any one contributor, during the year, contributions for use *exclusively* for religious, charitable, etc., purposes, but these contributions did not total to more than \$1,000. If this box is checked, enter here the total contributions that were received during the year for an *exclusively* religious, charitable, etc., purpose. Do not complete any of the parts unless the **General Rule** applies to this organization because it received nonexclusively religious, charitable, etc., contributions of \$5,000 or more during the year . . . . . ▶ \$ \_\_\_\_\_

**Caution.** An organization that is not covered by the General Rule and/or the Special Rules does not file Schedule B (Form 990, 990-EZ, or 990-PF), but it **must** answer "No" on Part IV, line 2 of its Form 990; or check the box on line H of its Form 990-EZ or on Part I, line 2 of its Form 990-PF, to certify that it does not meet the filing requirements of Schedule B (Form 990, 990-EZ, or 990-PF).

Name of organization OPERATION SMILE, INC.

Employer identification number  
54-1460147

**Part I Contributors** (see instructions). Use duplicate copies of Part I if additional space is needed.

(a) No.	(b) Name, address, and ZIP + 4	(c) Total contributions	(d) Type of contribution
1	----- ----- -----	\$ 1,196,510.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input checked="" type="checkbox"/> (Complete Part II if there is a noncash contribution.)
2	----- ----- -----	\$ 2,281,334.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
3	----- ----- -----	\$ 3,889,360.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
4	----- ----- -----	\$ 1,150,000.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
5	----- ----- -----	\$ 1,405,033.	Person <input checked="" type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)
	----- ----- -----	\$ -----	Person <input type="checkbox"/> Payroll <input type="checkbox"/> Noncash <input type="checkbox"/> (Complete Part II if there is a noncash contribution.)

Name of organization OPERATION SMILE, INC.

Employer identification number

54-1460147

**Part II** Noncash Property (see instructions). Use duplicate copies of Part II if additional space is needed.

(a) No. from Part I	(b) Description of noncash property given	(c) FMV (or estimate) (see instructions)	(d) Date received
1	MEDICAL SUPPLIES 11/2012; 4/2013; 5/2013; 6/2013 ----- ----- -----	\$ 800,863. -----	VARIOUS -----
-----	----- ----- ----- -----	\$ ----- -----	----- -----
-----	----- ----- ----- -----	\$ ----- -----	----- -----
-----	----- ----- ----- -----	\$ ----- -----	----- -----
-----	----- ----- ----- -----	\$ ----- -----	----- -----
-----	----- ----- ----- -----	\$ ----- -----	----- -----

Name of organization OPERATION SMILE, INC.

Employer identification number

54-1460147

**Part III Exclusively religious, charitable, etc., individual contributions to section 501(c)(7), (8), or (10) organizations that total more than \$1,000 for the year. Complete columns (a) through (e) and the following line entry.**

For organizations completing Part III, enter the total of *exclusively* religious, charitable, etc., contributions of \$1,000 or less for the year. (Enter this information once. See instructions.) ▶ \$ \_\_\_\_\_

Use duplicate copies of Part III if additional space is needed.

(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	
(a) No. from Part I	(b) Purpose of gift	(c) Use of gift	(d) Description of how gift is held
---	----- ----- -----	----- ----- -----	----- ----- -----
(e) Transfer of gift			
Transferee's name, address, and ZIP + 4		Relationship of transferor to transferee	
----- ----- -----		----- ----- -----	

**SCHEDULE D  
(Form 990)**

**Supplemental Financial Statements**

OMB No. 1545-0047

**2012**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ Complete if the organization answered "Yes," to Form 990, Part IV, line 6, 7, 8, 9, 10, 11a, 11b, 11c, 11d, 11e, 11f, 12a, or 12b.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization

Employer identification number

OPERATION SMILE, INC.

54-1460147

**Part I Organizations Maintaining Donor Advised Funds or Other Similar Funds or Accounts.** Complete if the organization answered "Yes" to Form 990, Part IV, line 6.

	(a) Donor advised funds	(b) Funds and other accounts
1 Total number at end of year . . . . .		
2 Aggregate contributions to (during year) . . . . .		
3 Aggregate grants from (during year) . . . . .		
4 Aggregate value at end of year . . . . .		
5 Did the organization inform all donors and donor advisors in writing that the assets held in donor advised funds are the organization's property, subject to the organization's exclusive legal control? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No
6 Did the organization inform all grantees, donors, and donor advisors in writing that grant funds can be used only for charitable purposes and not for the benefit of the donor or donor advisor, or for any other purpose conferring impermissible private benefit? . . . . .		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Conservation Easements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 7.

1 Purpose(s) of conservation easements held by the organization (check all that apply).

<input type="checkbox"/> Preservation of land for public use (e.g., recreation or education)	<input type="checkbox"/> Preservation of an historically important land area
<input type="checkbox"/> Protection of natural habitat	<input type="checkbox"/> Preservation of a certified historic structure
<input type="checkbox"/> Preservation of open space	

2 Complete lines 2a through 2d if the organization held a qualified conservation contribution in the form of a conservation easement on the last day of the tax year.

	Held at the End of the Tax Year
a Total number of conservation easements . . . . .	2a
b Total acreage restricted by conservation easements . . . . .	2b
c Number of conservation easements on a certified historic structure included in (a) . . . . .	2c
d Number of conservation easements included in (c) acquired after 8/17/06, and not on a historic structure listed in the National Register . . . . .	2d

3 Number of conservation easements modified, transferred, released, extinguished, or terminated by the organization during the tax year ▶ -----

4 Number of states where property subject to conservation easement is located ▶ -----

5 Does the organization have a written policy regarding the periodic monitoring, inspection, handling of violations, and enforcement of the conservation easements it holds? . . . . .  Yes  No

6 Staff and volunteer hours devoted to monitoring, inspecting, and enforcing conservation easements during the year ▶ -----

7 Amount of expenses incurred in monitoring, inspecting, and enforcing conservation easements during the year ▶ \$ -----

8 Does each conservation easement reported on line 2(d) above satisfy the requirements of section 170(h)(4)(B) (i) and section 170(h)(4)(B)(ii)? . . . . .  Yes  No

9 In Part XIII, describe how the organization reports conservation easements in its revenue and expense statement, and balance sheet, and include, if applicable, the text of the footnote to the organization's financial statements that describes the organization's accounting for conservation easements.

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets.** Complete if the organization answered "Yes" to Form 990, Part IV, line 8.

- 1a If the organization elected, as permitted under SFAS 116 (ASC 958), not to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide, in Part XIII, the text of the footnote to its financial statements that describes these items.
- b If the organization elected, as permitted under SFAS 116 (ASC 958), to report in its revenue statement and balance sheet works of art, historical treasures, or other similar assets held for public exhibition, education, or research in furtherance of public service, provide the following amounts relating to these items:
- (i) Revenues included in Form 990, Part VIII, line 1 . . . . . ▶ \$ -----
- (ii) Assets included in Form 990, Part X . . . . . ▶ \$ -----
- 2 If the organization received or held works of art, historical treasures, or other similar assets for financial gain, provide the following amounts required to be reported under SFAS 116 (ASC 958) relating to these items:
- a Revenues included in Form 990, Part VIII, line 1 . . . . . ▶ \$ -----
- b Assets included in Form 990, Part X . . . . . ▶ \$ -----

For Paperwork Reduction Act Notice, see the instructions for Form 990.

Schedule D (Form 990) 2012

**Part III Organizations Maintaining Collections of Art, Historical Treasures, or Other Similar Assets (continued)**

- 3 Using the organization's acquisition, accession, and other records, check any of the following that are a significant use of its collection items (check all that apply):
- a  Public exhibition
  - b  Scholarly research
  - c  Preservation for future generations
  - d  Loan or exchange programs
  - e  Other \_\_\_\_\_
- 4 Provide a description of the organization's collections and explain how they further the organization's exempt purpose in Part XIII.
- 5 During the year, did the organization solicit or receive donations of art, historical treasures, or other similar assets to be sold to raise funds rather than to be maintained as part of the organization's collection? . . . . .  Yes  No

**Part IV Escrow and Custodial Arrangements.** Complete if the organization answered "Yes" to Form 990, Part IV, line 9, or reported an amount on Form 990, Part X, line 21.

- 1a Is the organization an agent, trustee, custodian or other intermediary for contributions or other assets not included on Form 990, Part X? . . . . .  Yes  No
- b If "Yes," explain the arrangement in Part XIII and complete the following table:

	Amount
c Beginning balance . . . . .	1c
d Additions during the year . . . . .	1d
e Distributions during the year . . . . .	1e
f Ending balance . . . . .	1f

- 2a Did the organization include an amount on Form 990, Part X, line 21? . . . . .  Yes  No
- b If "Yes," explain the arrangement in Part XIII. Check here if the explanation has been provided in Part XIII. . . . .

**Part V Endowment Funds.** Complete if the organization answered "Yes" to Form 990, Part IV, line 10.

	(a) Current year	(b) Prior year	(c) Two years back	(d) Three years back	(e) Four years back
1a Beginning of year balance . . . . .					
b Contributions . . . . .					
c Net investment earnings, gains, and losses . . . . .					
d Grants or scholarships . . . . .					
e Other expenditures for facilities and programs . . . . .					
f Administrative expenses . . . . .					
g End of year balance . . . . .					

- 2 Provide the estimated percentage of the current year end balance (line 1g, column (a)) held as:
- a Board designated or quasi-endowment ▶ \_\_\_\_\_ %
  - b Permanent endowment ▶ \_\_\_\_\_ %
  - c Temporarily restricted endowment ▶ \_\_\_\_\_ %
- The percentages in lines 2a, 2b, and 2c should equal 100%.

- 3a Are there endowment funds not in the possession of the organization that are held and administered for the organization by:
- (i) unrelated organizations . . . . .  Yes  No
  - (ii) related organizations . . . . .  Yes  No
- b If "Yes" to 3a(ii), are the related organizations listed as required on Schedule R? . . . . .

- 4 Describe in Part XIII the intended uses of the organization's endowment funds.

**Part VI Land, Buildings, and Equipment.** See Form 990, Part X, line 10.

Description of property	(a) Cost or other basis (investment)	(b) Cost or other basis (other)	(c) Accumulated depreciation	(d) Book value
1a Land . . . . .		3,094,293.		3,094,293.
b Buildings . . . . .		14,932,142.	326,388.	14,605,754.
c Leasehold improvements . . . . .		634,681.	171,098.	463,583.
d Equipment . . . . .		4,217,795.	3,784,442.	433,353.
e Other . . . . .		218,098.		218,098.
<b>Total.</b> Add lines 1a through 1e. (Column (d) must equal Form 990, Part X, column (B), line 10(c).) . . . . .				18,815,081.

**Part VII Investments - Other Securities.** See Form 990, Part X, line 12.

(a) Description of security or category (including name of security)	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1) Financial derivatives . . . . .		
(2) Closely-held equity interests . . . . .		
(3) Other		
(A) -----		
(B) -----		
(C) -----		
(D) -----		
(E) -----		
(F) -----		
(G) -----		
(H) -----		
(I) -----		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 12.) ▶		

**Part VIII Investments - Program Related.** See Form 990, Part X, line 13.

(a) Description of investment type	(b) Book value	(c) Method of valuation: Cost or end-of-year market value
(1)		
(2)		
(3)		
(4)		
(5)		
(6)		
(7)		
(8)		
(9)		
(10)		
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 13.) ▶		

**Part IX Other Assets.** See Form 990, Part X, line 15.

(a) Description	(b) Book value
(1)	
(2)	
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 15.) ▶	

**Part X Other Liabilities.** See Form 990, Part X, line 25.

1. (a) Description of liability	(b) Book value
(1) Federal income taxes	
(2) NOTES PAYABLE TO RELATED THIRD PART	2,829,950.
(3)	
(4)	
(5)	
(6)	
(7)	
(8)	
(9)	
(10)	
(11)	
<b>Total.</b> (Column (b) must equal Form 990, Part X, col. (B) line 25.) ▶	
	2,829,950.

2. FIN 48 (ASC 740) Footnote. In Part XIII, provide the text of the footnote to the organization's financial statements that reports the organization's liability for uncertain tax positions under FIN 48 (ASC 740). Check here if the text of the footnote has been provided in Part XIII.

**Part XI Reconciliation of Revenue per Audited Financial Statements With Revenue per Return**

1	Total revenue, gains, and other support per audited financial statements		1	78,902,968.
2	Amounts included on line 1 but not on Form 990, Part VIII, line 12:			
a	Net unrealized gains on investments	2a	766.	
b	Donated services and use of facilities	2b	26,424,721.	
c	Recoveries of prior year grants	2c		
d	Other (Describe in Part XIII.)	2d	347,229.	
e	Add lines 2a through 2d		2e	26,772,716.
3	Subtract line 2e from line 1		3	52,130,252.
4	Amounts included on Form 990, Part VIII, line 12, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total revenue. Add lines 3 and 4c. (This must equal Form 990, Part I, line 12.)		5	52,130,252.

**Part XII Reconciliation of Expenses per Audited Financial Statements With Expenses per Return**

1	Total expenses and losses per audited financial statements		1	77,442,056.
2	Amounts included on line 1 but not on Form 990, Part IX, line 25:			
a	Donated services and use of facilities	2a	26,424,721.	
b	Prior year adjustments	2b		
c	Other losses	2c		
d	Other (Describe in Part XIII.)	2d	86,688.	
e	Add lines 2a through 2d		2e	26,511,409.
3	Subtract line 2e from line 1		3	50,930,647.
4	Amounts included on Form 990, Part IX, line 25, but not on line 1:			
a	Investment expenses not included on Form 990, Part VIII, line 7b	4a		
b	Other (Describe in Part XIII.)	4b		
c	Add lines 4a and 4b		4c	
5	Total expenses. Add lines 3 and 4c. (This must equal Form 990, Part I, line 18.)		5	50,930,647.

**Part XIII Supplemental Information**

Complete this part to provide the descriptions required for Part II, lines 3, 5, and 9; Part III, lines 1a and 4; Part IV, lines 1b and 2b; Part V, line 4; Part X, line 2; Part XI, lines 2d and 4b; and Part XII, lines 2d and 4b. Also complete this part to provide any additional information.

SEE PAGE 5



**Part XIII Supplemental Information (continued)**

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## OTHER RECONCILING ITEMS

FORM 990, SCHEDULE D, PART XI, LINE 2D & PART XII, LINE 2D

THE OPERATION SMILE, INC. AND AFFILIATE FINANCIAL STATEMENTS ARE PRESENTED ON A COMBINED BASIS. THE FINANCIAL STATEMENTS INCLUDE THE ACTIVITY FOR OPERATION SMILE, INC. AND STOP CLEFT - INTERNATIONAL ALLIANCE (F/K/A OPERATION SMILE FOUNDATION, INC.). THE OTHER RECONCILING ITEMS REPRESENT THE FOUNDATION'S INCOME (\$347,229), EXPENSES (\$86,688). THESE AMOUNTS WILL BE REPORTED ON STOP CLEFT - INTERNATIONAL ALLIANCE'S (F/K/A OPERATION SMILE FOUNDATION, INC.) 2012 FORM 990.

**SCHEDULE F  
(Form 990)**

**Statement of Activities Outside the United States**

OMB No. 1545-0047

**2012**

Open to Public Inspection

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury  
Internal Revenue Service

Name of the organization

OPERATION SMILE, INC.

Employer identification number

54-1460147

**Part I General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

**1 For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No

**2 For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

**3 Activities per Region.** (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) CENTRAL AMERICA/CARIBBEAN		3.	FUNDRAISING		16,125.
(2) CENTRAL AMERICA/CARIBBEAN			GRANTMAKING		230,439.
(3) CENTRAL AMERICA/CARIBBEAN			PROGRAM SERVICES	EDUCATION	38,376.
(4) CENTRAL AMERICA/CARIBBEAN			PROGRAM SERVICES	MEDICAL MISSION	745,370.
(5) EAST ASIA AND THE PACIFIC	1.	15.	FUNDRAISING		492,043.
(6) EAST ASIA AND THE PACIFIC			GRANTMAKING		556,816.
(7) EAST ASIA AND THE PACIFIC			PROGRAM SERVICES	EDUCATION	145,013.
(8) EAST ASIA AND THE PACIFIC			PROGRAM SERVICES	MEDICAL MISSION	2,647,468.
(9) EUROPE	1.	12.	FUNDRAISING		2,342,735.
(10) EUROPE			GRANTMAKING		816,012.
(11) EUROPE			PROGRAM SERVICES	EDUCATION	4,069.
(12) EUROPE			PROGRAM SERVICES	MEDICAL MISSION	6,742.
(13) MIDDLE EAST AND NORTH AFRICA		4.	FUNDRAISING		5,247.
(14) MIDDLE EAST AND NORTH AFRICA			GRANTMAKING		124,841.
(15) MIDDLE EAST AND NORTH AFRICA			PROGRAM SERVICES	EDUCATION	19,261.
(16) MIDDLE EAST AND NORTH AFRICA			PROGRAM SERVICES	MEDICAL MISSION	725,719.
(17) NORTH AMERICA			FUNDRAISING		19,722.
<b>3a Sub-total</b>	2.	34.			8,935,998.
<b>b Total from continuation sheets to Part I</b>	1.	40.			9,001,351.
<b>c Totals (add lines 3a and 3b)</b>	3.	74.			17,937,349.

For Paperwork Reduction Act Notice, see the instructions for Form 990.

Schedule F (Form 990) 2012

**SCHEDULE F  
(Form 990)**

**Statement of Activities Outside the United States**

OMB No. 1545-0047

**2012**

Open to Public Inspection

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

Department of the Treasury  
Internal Revenue Service

Name of the organization

OPERATION SMILE, INC.

Employer identification number

54-1460147

**Part I General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

1 For grantmakers. Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No

2 For grantmakers. Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

3 Activities per Region. (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) NORTH AMERICA			GRANTMAKING		3,177,830.
(2) NORTH AMERICA			PROGRAM SERVICES	EDUCATION	17,316.
(3) NORTH AMERICA			PROGRAM SERVICES	MEDICAL MISSION	104,565.
(4) RUSSIA/INDEPENDENT STATES		1.	FUNDRAISING		32.
(5) RUSSIA/INDEPENDENT STATES			GRANTMAKING		2,177.
(6) RUSSIA/INDEPENDENT STATES			PROGRAM SERVICES	MEDICAL MISSION	30,307.
(7) SOUTH AMERICA		8.	FUNDRAISING		10,680.
(8) SOUTH AMERICA			GRANTMAKING		460,206.
(9) SOUTH AMERICA			PROGRAM SERVICES	EDUCATION	111,362.
(10) SOUTH AMERICA			PROGRAM SERVICES	MEDICAL MISSION	1,232,749.
(11) SOUTH ASIA		14.	FUNDRAISING		6,963.
(12) SOUTH ASIA			GRANTMAKING		526,769.
(13) SOUTH ASIA			PROGRAM SERVICES	EDUCATION	391,542.
(14) SOUTH ASIA			PROGRAM SERVICES	MEDICAL MISSION	635,223.
(15) SUB-SAHARAN AFRICA	1.	17.	FUNDRAISING		8,465.
(16) SUB-SAHARAN AFRICA			GRANTMAKING		271,899.
(17) SUB-SAHARAN AFRICA			PROGRAM SERVICES	EDUCATION	42,749.
3a Sub-total . . . . .					
b Total from continuation sheets to Part I . . . . .					
c Totals (add lines 3a and 3b)					

For Paperwork Reduction Act Notice, see the instructions for Form 990.

Schedule F (Form 990) 2012

**SCHEDULE F  
(Form 990)**

**Statement of Activities Outside the United States**

OMB No. 1545-0047

**2012**

Open to Public Inspection

Department of the Treasury  
Internal Revenue Service

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 14b, 15, or 16.

▶ Attach to Form 990. ▶ See separate instructions.

Name of the organization

Employer identification number

OPERATION SMILE, INC.

54-1460147

**Part I General Information on Activities Outside the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 14b.

**1 For grantmakers.** Does the organization maintain records to substantiate the amount of its grants and other assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No

**2 For grantmakers.** Describe in Part V the organization's procedures for monitoring the use of its grants and other assistance outside the United States.

**3 Activities per Region.** (The following Part I, line 3 table can be duplicated if additional space is needed.)

(a) Region	(b) Number of offices in the region	(c) Number of employees, agents, and independent contractors in region	(d) Activities conducted in region (by type) (e.g., fundraising, program services, investments, grants to recipients located in the region)	(e) If activity listed in (d) is a program service, describe specific type of service(s) in region	(f) Total expenditures for and investments in region
(1) SUB-SAHARAN AFRICA			PROGRAM SERVICES	MEDICAL MISSION	1,970,517.
(2)					
(3)					
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					
(11)					
(12)					
(13)					
(14)					
(15)					
(16)					
(17)					
<b>3a</b> Sub-total. . . . .					
<b>b</b> Total from continuation sheets to Part I . . . . .					
<b>c</b> Totals (add lines 3a and 3b)					

For Paperwork Reduction Act Notice, see the instructions for Form 990.

Schedule F (Form 990) 2012

**Part II** Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)			CENT. AMERICA/CARIBBEAN	MISSION	7,308.	WIRE			
(2)			CENT. AMERICA/CARIBBEAN	MISSION	29,794.	WIRE	2,364.	MEDICAL SUPP	COST
(3)			CENT. AMERICA/CARIBBEAN	MISSION	31,988.	WIRE	5,414.	MEDICAL SUPP	COST
(4)			CENT. AMERICA/CARIBBEAN	MISSION	36,594.	WIRE	20,223.	MEDICAL SUPP	COST
(5)			CENT. AMERICA/CARIBBEAN	PROGRAMS	35,291.	WIRE			
(6)			CENT. AMERICA/CARIBBEAN	MISSION	49,259.	WIRE	11,443.	MEDICAL SUPP	COST
(7)			EAST ASIA/PACIFIC	MISSION	35,611.	WIRE			
(8)			EAST ASIA/PACIFIC	CAPACITY BUILDING	9,613.	WIRE			
(9)			EAST ASIA/PACIFIC	MISSION	16,743.	WIRE			
(10)			EAST ASIA/PACIFIC	CAPACITY BUI	52,952.	WIRE			
(11)			EAST ASIA/PACIFIC	MISSION	16,675.	WIRE			
(12)			EAST ASIA/PACIFIC	MISSION	68,850.	WIRE	124,943.	MEDICAL SUPP	COST
(13)			EAST ASIA/PACIFIC	CAPACITY BUILDING	111,894.	WIRE			
(14)			EAST ASIA/PACIFIC	MISSION	59,783.	WIRE	24,439.	MEDICAL SUPP	COST
(15)			EAST ASIA/PACIFIC	CAPACITY BUILDING	7,879.	WIRE			
(16)			EAST ASIA/PACIFIC	PROGRAMS	15,169.	WIRE			

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter. . . . .

3 Enter total number of other organizations or entities. . . . .

**Part II** Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)			EUROPE/ICELAND/GREENLAND	PROGRAMS	75,969.	WIRE			
(2)			EUROPE/ICELAND/GREENLAND	CAPACITY BUILDING	730,474.	WIRE			
(3)			MIDDLE EAST/NORTH AFRICA	MISSION	16,039.	WIRE			
(4)			MIDDLE EAST/NORTH AFRICA	MISSION	41,853.	WIRE			
(5)			MIDDLE EAST/NORTH AFRICA	PROGRAMS	50,000.	WIRE	15,673.	MEDICAL SUPP COST	
(6)			NORTH AMERICA	CAPACITY BUILDING	43,272.	WIRE			
(7)			NORTH AMERICA	CAPACITY BUILDING	3,031,985.	WIRE			
(8)			NORTH AMERICA	PROGRAMS	10,093.	WIRE	93,909.	MEDICAL SUPP COST	
(9)			SOUTH AMERICA	MISSION	6,201.	WIRE			
(10)			SOUTH AMERICA	MISSION	25,145.	WIRE	1,903.	MEDICAL SUPP COST	
(11)			SOUTH AMERICA	MISSION	186,231.	WIRE			
(12)			SOUTH AMERICA	PROGRAMS	117,722.	WIRE	49,685.	MEDICAL SUPP COST	
(13)			SOUTH AMERICA	PROGRAMS	6,176.	WIRE	28,325.	MEDICAL SUPP COST	
(14)			SOUTH AMERICA	MISSION	19,454.	WIRE	1,033.	MEDICAL SUPP COST	
(15)			SOUTH AMERICA	PROGRAMS	24,691.	WIRE	2,444.	MEDICAL SUPP COST	
(16)			SOUTH AMERICA	MISSION	8,830.	WIRE	18,992.	MEDICAL SUPP COST	

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter. . . . .

3 Enter total number of other organizations or entities. . . . .

**Part III** Grants and Other Assistance to Organizations or Entities Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 15, for any recipient who received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name of organization	(b) IRS code section and EIN (if applicable)	(c) Region	(d) Purpose of grant	(e) Amount of cash grant	(f) Manner of cash disbursement	(g) Amount of non-cash assistance	(h) Description of non-cash assistance	(i) Method of valuation (book, FMV, appraisal, other)
(1)			SOUTH ASIA	MISSION	6,532.	WIRE			
(2)			SOUTH ASIA	PROGRAMS	458,564.	WIRE	53,985.	MEDICAL SUPP	COST
(3)			SUB-SAHARAN AFRICA	MISSION	21,734.	WIRE			
(4)			SUB-SAHARAN AFRICA	MISSION	22,003.	WIRE			
(5)			SUB-SAHARAN AFRICA	MISSION	93,180.	WIRE	376.	MEDICAL SUPP	COST
(6)			SUB-SAHARAN AFRICA	MISSION	128,092.	WIRE			
(7)									
(8)									
(9)									
(10)									
(11)									
(12)									
(13)									
(14)									
(15)									
(16)									

2 Enter total number of recipient organizations listed above that are recognized as charities by the foreign country, recognized as tax-exempt by the IRS, or for which the grantee or counsel has provided a section 501(c)(3) equivalency letter. . . . . 24.

3 Enter total number of other organizations or entities. . . . . 14.

**Part III** Grants and Other Assistance to Individuals Outside the United States. Complete if the organization answered "Yes" to Form 990, Part IV, line 16. Part III can be duplicated if additional space is needed.

(a) Type of grant or assistance	(b) Region	(c) Number of recipients	(d) Amount of cash grant	(e) Manner of cash disbursement	(f) Amount of non-cash assistance	(g) Description of non-cash assistance	(h) Method of valuation (book, FMV, appraisal, other)
(1)							
(2)							
(3)							
(4)							
(5)							
(6)							
(7)							
(8)							
(9)							
(10)							
(11)							
(12)							
(13)							
(14)							
(15)							
(16)							
(17)							
(18)							

Schedule F (Form 990) 2012



**Part IV Foreign Forms**

- 1 Was the organization a U.S. transferor of property to a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 926, Return by a U.S. Transferor of Property to a Foreign Corporation (see Instructions for Form 926)* . . . . .  Yes  No
  
- 2 Did the organization have an interest in a foreign trust during the tax year? *If "Yes," the organization may be required to file Form 3520, Annual Return to Report Transactions with Foreign Trusts and Receipt of Certain Foreign Gifts, and/or Form 3520-A, Annual Information Return of Foreign Trust With a U.S. Owner (see Instructions for Forms 3520 and 3520-A)* . . . . .  Yes  No
  
- 3 Did the organization have an ownership interest in a foreign corporation during the tax year? *If "Yes," the organization may be required to file Form 5471, Information Return of U.S. Persons With Respect To Certain Foreign Corporations. (see Instructions for Form 5471)* . . . . .  Yes  No
  
- 4 Was the organization a direct or indirect shareholder of a passive foreign investment company or a qualified electing fund during the tax year? *If "Yes," the organization may be required to file Form 8621, Information Return by a Shareholder of a Passive Foreign Investment Company or Qualified Electing Fund. (see Instructions for Form 8621)* . . . . .  Yes  No
  
- 5 Did the organization have an ownership interest in a foreign partnership during the tax year? *If "Yes," the organization may be required to file Form 8865, Return of U.S. Persons With Respect To Certain Foreign Partnerships. (see Instructions for Form 8865)* . . . . .  Yes  No
  
- 6 Did the organization have any operations in or related to any boycotting countries during the tax year? *If "Yes," the organization may be required to file Form 5713, International Boycott Report (see Instructions for Form 5713)* . . . . .  Yes  No

**Part V Supplemental Information**

Complete this part to provide the information required by Part I, line 2 (monitoring of funds); Part I, line 3, column (f) (accounting method; amounts of investments vs. expenditures per region); Part II, line 1 (accounting method); Part III (accounting method); and Part III, column (c) (estimated number of recipients), as applicable. Also complete this part to provide any additional information (see instructions).

**MONITORING**

FORM 990, SCHEDULE F, PART I, LINE 2

OPERATION SMILE MONITORS AND REVIEWS GRANT REQUESTS FOR ALIGNMENT WITH OUR PROGRAMMATIC GOALS AND ADHERENCE TO ELIGIBILITY REQUIREMENTS. ALL GRANT RECIPIENTS SUBMIT REPORTS DETAILING THE USE OF THE GRANT FUNDS. THESE REPORTS ARE EXAMINED BY OPERATION SMILE AND REVIEWED FOR TIMELINESS, CONTENT, ACCURACY, AND APPROPRIATE SUPPORTING DOCUMENTATION TO SUBSTANTIATE THE USE OF FUNDS. WE HAVE ONGOING COMMUNICATION AND FREQUENT ONSITE VISITS WITH OUR PARTNER FOUNDATIONS TO ENSURE GRANT REQUIREMENTS ARE BEING MET, APPROPRIATE DOCUMENTATION IS MAINTAINED, AND TO PROVIDE ASSISTANCE AS NEEDED.

**METHOD USED TO ACCOUNT FOR EXPENDITURES**

FORM 990, SCHEDULE F, PART I, LINE 3

**ACCRUAL**

PURPOSE OF GRANTS TO ORGANIZATIONS OR ENTITIES OUTSIDE THE US

FORM 990, PART II, COLUMN (D)

FOR MOST OF THE GRANTS LISTED ON PART II, THE PURPOSES INCLUDED MISSION AND PROGRAM AND SOMETIMES ALSO FUNDRAISING.

**SCHEDULE G**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Supplemental Information Regarding  
Fundraising or Gaming Activities**

Complete if the organization answered "Yes" to Form 990, Part IV, lines 17, 18, or 19, or if the organization entered more than \$15,000 on Form 990-EZ, line 6a.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

**2012**

Open to Public  
Inspection

Name of the organization

OPERATION SMILE, INC.

Employer identification number

54-1460147

**Part I**

**Fundraising Activities.** Complete if the organization answered "Yes" to Form 990, Part IV, line 17.  
Form 990-EZ filers are not required to complete this part.

1 Indicate whether the organization raised funds through any of the following activities. Check all that apply.

- a  Mail solicitations
- b  Internet and email solicitations
- c  Phone solicitations
- d  In-person solicitations
- e  Solicitation of non-government grants
- f  Solicitation of government grants
- g  Special fundraising events

2a Did the organization have a written or oral agreement with any individual (including officers, directors, trustees or key employees listed in Form 990, Part VII) or entity in connection with professional fundraising services?  Yes  No

b If "Yes," list the ten highest paid individuals or entities (fundraisers) pursuant to agreements under which the fundraiser is to be compensated at least \$5,000 by the organization.

(i) Name and address of individual or entity (fundraiser)	(ii) Activity	(iii) Did fundraiser have custody or control of contributions?		(iv) Gross receipts from activity	(v) Amount paid to (or retained by) fundraiser listed in col. (i)	(vi) Amount paid to (or retained by) organization
		Yes	No			
1 RUSS REID	DR CONSULTA		X	18,119,667.	502,195.	17,617,472.
2 STRATEGIC FUNDRAISING	TELEMARKETE		X	2,260,631.	1,758,350.	502,281.
3 CHANGING OUR WORLD	CORP SOCIAL RESPONSIBIL		X		57,358.	-57,358.
4 M & R STRATEGIC SERVICES	EMAIL MKTNG PARTNER		X	468,276.	127,828.	340,448.
5 THE PURSUANT GROUP	MAJOR GIFTS COUNSEL		X	42,641.	291,861.	-249,220.
6 FIRST DEGREE	PUBLIC AWARENESS		X		110,031.	-110,031.
7						
8						
9						
10						
<b>Total</b>				20,891,215.	2,847,623.	18,043,592.

3 List all states in which the organization is registered or licensed to solicit contributions or has been notified it is exempt from registration or licensing.

AL, AK, AZ, AR, CA, CO, CT, DE, DC, FL, GA, HI, ID, IL, IN,  
IA, KS, KY, LA, ME, MD, MA, MI, MN, MS, MO, MT, NE, NV, NH, NM, NY, NC, ND, OH,  
OK, OR, PA, RI, SC, SD, TN, TX, VT, VA, WA, WV, WI, WY,

**Part II Fundraising Events.** Complete if the organization answered "Yes" to Form 990, Part IV, line 18, or reported more than \$15,000 of fundraising event contributions and gross income on Form 990-EZ, lines 1 and 6b. List events with gross receipts greater than \$5,000.

		(a) Event #1	(b) Event #2	(c) Other events	(d) Total events (add col. (a) through col. (c))	
		2013 LA GALA (event type)	2013 NY SMILE (event type)	25 (total number)		
Revenue	1	Gross receipts . . . . .	2,124,452.	706,936.	1,847,813.	4,679,201.
	2	Less: Contributions . . . . .	2,061,416.	630,421.	1,608,623.	4,300,460.
	3	Gross income (line 1 minus line 2). . . . .	63,036.	76,515.	239,190.	378,741.
Direct Expenses	4	Cash prizes . . . . .				
	5	Noncash prizes . . . . .				
	6	Rent/facility costs . . . . .	23,293.		136,368.	159,661.
	7	Food and beverages . . . . .	135,581.	159,285.	177,599.	472,465.
	8	Entertainment . . . . .	8,000.	7,500.	39,127.	54,627.
	9	Other direct expenses . . . . .	95,183.	204,661.	110,047.	409,891.
	10	Direct expense summary. Add lines 4 through 9 in column (d) . . . . .				( 1,096,644. )
11	Net income summary. Combine line 3, column (d), and line 10 . . . . .				-717,903.	

**Part III Gaming.** Complete if the organization answered "Yes" to Form 990, Part IV, line 19, or reported more than \$15,000 on Form 990-EZ, line 6a.

		(a) Bingo	(b) Pull tabs/instant bingo/progressive bingo	(c) Other gaming	(d) Total gaming (add col. (a) through col. (c))
Revenue	1	Gross revenue . . . . .			
Direct Expenses	2	Cash prizes . . . . .			
	3	Noncash prizes . . . . .			
	4	Rent/facility costs . . . . .			
	5	Other direct expenses . . . . .			
	6	Volunteer labor . . . . .	Yes _____ % No	Yes _____ % No	Yes _____ % No
	7	Direct expense summary. Add lines 2 through 5 in column (d) . . . . .			( )
	8	Net gaming income summary. Combine line 1, column d, and line 7 . . . . .			

9 Enter the state(s) in which the organization operates gaming activities: \_\_\_\_\_  
 a Is the organization licensed to operate gaming activities in each of these states?  Yes  No  
 b If "No," explain: \_\_\_\_\_

10 a Were any of the organization's gaming licenses revoked, suspended or terminated during the tax year?  Yes  No  
 b If "Yes," explain: \_\_\_\_\_

- 11 Does the organization operate gaming activities with nonmembers?  Yes  No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No
- 13 Indicate the percentage of gaming activity operated in:
 

a The organization's facility	13a	%
b An outside facility	13b	%
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ -----

Address ▶ -----

- 15 a Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No
- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_
- c If "Yes," enter name and address of the third party:

Name ▶ -----

Address ▶ -----

16 Gaming manager information:

Name ▶ -----

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ -----

- Director/officer
- Employee
- Independent contractor

17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No
- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV Supplemental Information.** Complete this part to provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

**PART I - FUNDRAISING**

OPERATION SMILE HAS AN AGREEMENT WITH RUSS REID COMPANY TO PROVIDE SERVICES RELATED TO ITS DIRECT RESPONSE FUNDRAISING CAMPAIGN AND RESEARCH, AND GOVERNMENT RELATIONS. THESE SERVICES INCLUDE PROFESSIONAL FUNDRAISING FEES, CREATIVE SERVICES, TV PRODUCTION, MEDIA BUYING/SYNDICATION, AND PRINTING, BUYING AND MAILING. RUSS REID COMPANY PROVIDES INVOICES TO OPERATION SMILE DETAILING THE COSTS ASSOCIATED WITH

- 11 Does the organization operate gaming activities with nonmembers?  Yes  No
- 12 Is the organization a grantor, beneficiary or trustee of a trust or a member of a partnership or other entity formed to administer charitable gaming?  Yes  No
- 13 Indicate the percentage of gaming activity operated in:
 

a The organization's facility	13a	%
b An outside facility	13b	%
- 14 Enter the name and address of the person who prepares the organization's gaming/special events books and records:

Name ▶ -----

Address ▶ -----

- 15a Does the organization have a contract with a third party from whom the organization receives gaming revenue?  Yes  No
- b If "Yes," enter the amount of gaming revenue received by the organization ▶ \$ \_\_\_\_\_ and the amount of gaming revenue retained by the third party ▶ \$ \_\_\_\_\_.
- c If "Yes," enter name and address of the third party:

Name ▶ -----

Address ▶ -----

16 Gaming manager information:

Name ▶ -----

Gaming manager compensation ▶ \$ \_\_\_\_\_

Description of services provided ▶ -----

- Director/officer
- Employee
- Independent contractor

17 Mandatory distributions:

- a Is the organization required under state law to make charitable distributions from the gaming proceeds to retain the state gaming license?  Yes  No
- b Enter the amount of distributions required under state law to be distributed to other exempt organizations or spent in the organization's own exempt activities during the tax year ▶ \$ \_\_\_\_\_

**Part IV Supplemental Information.** Complete this part to provide the explanation required by Part I, line 2b, columns (iii) and (v), and Part III, lines 9, 9b, 10b, 15b, 15c, 16, and 17b, as applicable. Also complete this part to provide any additional information (see instructions).

THE ABOVE SERVICES. PAYMENTS TO RUSS REID COMPANY IN THE TAX YEAR

TOTALLED \$13,647,719 OF WHICH \$502,195 REPRESENTED PROFESSIONAL

FUNDRAISING FEES.

**SCHEDULE I  
(Form 990)**

**Grants and Other Assistance to Organizations,  
Governments, and Individuals in the United States**

Complete if the organization answered "Yes" to Form 990, Part IV, line 21 or 22.  
▶ Attach to Form 990.

OMB No. 1545-0047

**2012**

Open to Public  
Inspection

Department of the Treasury  
Internal Revenue Service

Employer identification number

OPERATION SMILE, INC.

54-1460147

**Part I General Information on Grants and Assistance**

- 1 Does the organization maintain records to substantiate the amount of the grants or assistance, the grantees' eligibility for the grants or assistance, and the selection criteria used to award the grants or assistance?  Yes  No
- 2 Describe in Part IV the organization's procedures for monitoring the use of grant funds in the United States.  Yes  No

**Part II Grants and Other Assistance to Governments and Organizations in the United States.** Complete if the organization answered "Yes" to Form 990, Part IV, line 21, for any recipient that received more than \$5,000. Part II can be duplicated if additional space is needed.

1	(a) Name and address of organization or government	(b) EIN	(c) IRC section if applicable	(d) Amount of cash grant	(e) Amount of non-cash assistance	(f) Method of valuation (book, FMV, appraised, other)	(g) Description of non-cash assistance	(h) Purpose of grant or assistance
(1)	CHILDREN'S HOSPITAL OF WISCONSIN PO BOX 1997 MILWAUKEE, WI 53201-1997	39-0812532	501(C)(3)	56,595.				REDUCING BARRIERS TO CARE
(2)	UNIVERSITY OF IOWA B5 JESSOP HALL IOWA CITY, IA 52242	42-6004813	501(C)(3)	27,932.				REDUCING BARRIERS TO CARE
(3)	UNIVERSITY OF VIRGINIA PO BOX 400195, CHARLOTTEVILLE, VA, 22904-4195	54-6001796	501(C)(3)	81,249.				REDUCING BARRIERS TO CARE
(4)								
(5)								
(6)								
(7)								
(8)								
(9)								
(10)								
(11)								
(12)								

- 2 Enter total number of section 501(c)(3) and government organizations listed in the line 1 table
- 3 Enter total number of other organizations listed in the line 1 table

**Part III Grants and Other Assistance to Individuals in the United States.** Complete if the organization answered "Yes" on Form 990, Part IV, line 22. Part III can be duplicated if additional space is needed.

	(a) Type of grant or assistance	(b) Number of recipients	(c) Amount of cash grant	(d) Amount of non-cash assistance	(e) Method of valuation (book, FMV, appraisal, other)	(f) Description of non-cash assistance
1						
2						
3						
4						
5						
6						
7						

**Part IV Supplemental Information.** Complete this part to provide the information required in Part I, line 2, Part III, column (b), and any other additional information.

PROCEDURES FOR MONITORING THE USE OF GRANT FUNDS

FORM 990, SCHEDULE I, PART I, LINE 2

OPERATION SMILE, INC. MAKES GRANTS TO DOMESTIC ORGANIZATIONS THAT ARE RECOGNIZED BY THE INTERNAL REVENUE SERVICE AS 501(C)(3) ORGANIZATIONS.



**SCHEDULE J  
(Form 990)**

**Compensation Information**

For certain Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 23.

▶ Attach to Form 990. ▶ See separate instructions.

OMB No. 1545-0047

**2012**

**Open to Public Inspection**

Department of the Treasury  
Internal Revenue Service

Name of the organization

OPERATION SMILE, INC.

Employer identification number

54-1460147

**Part I Questions Regarding Compensation**

	Yes	No
<b>1a</b> Check the appropriate box(es) if the organization provided any of the following to or for a person listed in Form 990, Part VII, Section A, line 1a. Complete Part III to provide any relevant information regarding these items.		
<input checked="" type="checkbox"/> First-class or charter travel		
<input type="checkbox"/> Travel for companions		
<input type="checkbox"/> Tax indemnification and gross-up payments		
<input type="checkbox"/> Discretionary spending account		
<input type="checkbox"/> Housing allowance or residence for personal use		
<input type="checkbox"/> Payments for business use of personal residence		
<input type="checkbox"/> Health or social club dues or initiation fees		
<input type="checkbox"/> Personal services (e.g., maid, chauffeur, chef)		
<b>b</b> If any of the boxes on line 1a are checked, did the organization follow a written policy regarding payment or reimbursement or provision of all of the expenses described above? If "No," complete Part III to explain	<b>1b</b> X	
<b>2</b> Did the organization require substantiation prior to reimbursing or allowing expenses incurred by all officers, directors, trustees, and the CEO/Executive Director, regarding the items checked in line 1a?	<b>2</b> X	
<b>3</b> Indicate which, if any, of the following the filing organization used to establish the compensation of the organization's CEO/Executive Director. Check all that apply. Do not check any boxes for methods used by a related organization to establish compensation of the CEO/Executive Director, but explain in Part III.		
<input type="checkbox"/> Compensation committee		
<input type="checkbox"/> Independent compensation consultant		
<input checked="" type="checkbox"/> Form 990 of other organizations		
<input type="checkbox"/> Written employment contract		
<input checked="" type="checkbox"/> Compensation survey or study		
<input type="checkbox"/> Approval by the board or compensation committee		
<b>4</b> During the year, did any person listed in Form 990, Part VII, Section A, line 1a, with respect to the filing organization or a related organization:		
<b>a</b> Receive a severance payment or change-of-control payment?	<b>4a</b>	X
<b>b</b> Participate in, or receive payment from, a supplemental nonqualified retirement plan?	<b>4b</b>	X
<b>c</b> Participate in, or receive payment from, an equity-based compensation arrangement?	<b>4c</b>	X
If "Yes" to any of lines 4a-c, list the persons and provide the applicable amounts for each item in Part III.		
<b>Only section 501(c)(3) and 501(c)(4) organizations must complete lines 5-9.</b>		
<b>5</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the revenues of:		
<b>a</b> The organization?	<b>5a</b>	X
<b>b</b> Any related organization?	<b>5b</b>	X
If "Yes" to line 5a or 5b, describe in Part III.		
<b>6</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization pay or accrue any compensation contingent on the net earnings of:		
<b>a</b> The organization?	<b>6a</b>	X
<b>b</b> Any related organization?	<b>6b</b>	X
If "Yes" to line 6a or 6b, describe in Part III.		
<b>7</b> For persons listed in Form 990, Part VII, Section A, line 1a, did the organization provide any non-fixed payments not described in lines 5 and 6? If "Yes," describe in Part III	<b>7</b>	X
<b>8</b> Were any amounts reported in Form 990, Part VII, paid or accrued pursuant to a contract that was subject to the initial contract exception described in Regulations section 53.4958-4(a)(3)? If "Yes," describe in Part III	<b>8</b>	X
<b>9</b> If "Yes" to line 8, did the organization also follow the rebuttable presumption procedure described in Regulations section 53.4958-6(c)?	<b>9</b>	

For Paperwork Reduction Act Notice, see the instructions for Form 990.

Schedule J (Form 990) 2012

**Part III Officers, Directors, Trustees, Key Employees, and Highest Compensated Employees.** Use duplicate copies if additional space is needed.

For each individual whose compensation must be reported in Schedule J, report compensation from the organization on row (i) and from related organizations, described in the instructions, on row (ii). Do not list any individuals that are not listed on Form 990, Part VII.

Note. The sum of columns (B)(i)-(iii) for each listed individual must equal the total amount of Form 990, Part VII, Section A, line 1a, applicable column (D) and (E) amounts for that individual.

	(A) Name and Title	(B) Breakdown of W-2 and/or 1099-MISC compensation			(C) Retirement and other deferred compensation	(D) Nontaxable benefits	(E) Total of columns (B)(i)-(D)	(F) Compensation reported as deferred in prior Form 990
		(i) Base compensation	(ii) Bonus & incentive compensation	(iii) Other reportable compensation				
1	WILLIAM P. MAGEE JR., D. EXEC CHAIRMAN & DIRECTOR	350,000.	0	5,685.	22,500.	1,919.	380,104.	0
2	KYLA SHAWYER COO	205,500.	0	0	18,495.	5,011.	229,006.	0
3	HOWARD UNGER CEO	250,000.	0	7,629.	20,813.	5,011.	283,453.	0
4	KRISTIE MAGEE PORCARO SVP, STRATEGIC PSHIPS & DEVEL	62,500.	0	0	11,975.	5,383.	62,500.	0
5	TERESA KRAUS SENIOR VP FINANCE	133,055.	0	0	12,281.	5,011.	150,413.	0
6		136,458.	0	0	12,281.	5,011.	153,750.	0
7		0	0	0	0	0	0	0
8		0	0	0	0	0	0	0
9		0	0	0	0	0	0	0
10		0	0	0	0	0	0	0
11		0	0	0	0	0	0	0
12		0	0	0	0	0	0	0
13		0	0	0	0	0	0	0
14		0	0	0	0	0	0	0
15		0	0	0	0	0	0	0
16		0	0	0	0	0	0	0

**Part III Supplemental Information**

Complete this part to provide the information, explanation, or descriptions required for Part I, lines 1a, 1b, 3, 4a, 4b, 4c, 5a, 5b, 6a, 6b, 7, and 8, and for Part II. Also complete this part for any additional information.

FIRST CLASS TRAVEL

FORM 990, SCHEDULE J, PART I, LINE 1A

OPERATION SMILE, INC. POLICY ALLOWS FOR UPGRADES TO BUSINESS OR FIRST

CLASS AIR TRAVEL IN LIMITED CIRCUMSTANCES FOR CEO, PRESIDENT, COO, CMO,

BOARD OF DIRECTOR'S CHAIRMAN, EXECUTIVE CHAIRMAN AND BOARD OF DIRECTOR'S

PRESIDENT. UPGRADEABLE FARES MAY ONLY BE PURCHASED IF TRAVEL IS MORE THAN

5 HOURS DOMESTICALLY, BUSINESS CLASS FARES FOR MORE THAN 8 HOURS

INTERNATIONALLY FOR THESE POSITIONS ONLY. WHEN POSSIBLE, UPGRADES ARE

PAID FOR WITH AIRLINE POINTS. THESE UPGRADES WERE NOT TREATED AS TAXABLE

COMPENSATION TO THE RECIPIENTS.

**SCHEDULE L**  
**(Form 990 or 990-EZ)**

Department of the Treasury  
Internal Revenue Service

**Transactions With Interested Persons**

▶ Complete if the organization answered  
"Yes" on Form 990, Part IV, line 25a, 25b, 26, 27, 28a, 28b, or 28c,  
or Form 990-EZ, Part V, line 38a or 40b.  
▶ Attach to Form 990 or Form 990-EZ. ▶ See separate instructions.

OMB No. 1545-0047

**2012**

Open To Public  
Inspection

Name of the organization

OPERATION SMILE, INC.

Employer identification number

54-1460147

**Part I Excess Benefit Transactions** (section 501(c)(3) and section 501(c)(4) organizations only).

Complete if the organization answered "Yes" on Form 990, Part IV, line 25a or 25b, or Form 990-EZ, Part V, line 40b.

1	(a) Name of disqualified person	(b) Relationship between disqualified person and organization	(c) Description of transaction	(d) Corrected?	
				Yes	No
(1)					
(2)					
(3)					
(4)					
(5)					
(6)					

2 Enter the amount of tax incurred by the organization managers or disqualified persons during the year under section 4958 . . . . . ▶ \$ \_\_\_\_\_

3 Enter the amount of tax, if any, on line 2, above, reimbursed by the organization . . . . . ▶ \$ \_\_\_\_\_

**Part II Loans to and/or From Interested Persons.**

Complete if the organization answered "Yes" on Form 990-EZ, Part V, line 38a or Form 990, Part IV, line 26; or if the organization reported an amount on Form 990, Part X, line 5, 6, or 22.

(a) Name of interested person	(b) Relationship with organization	(c) Purpose of loan	(d) Loan to or from the organization?		(e) Original principal amount	(f) Balance due	(g) In default?		(h) Approved by board or committee?		(i) Written agreement?	
			To	From			Yes	No	Yes	No	Yes	No
			(1)									
(2)												
(3)												
(4)												
(5)												
(6)												
(7)												
(8)												
(9)												
(10)												
<b>Total</b> . . . . . ▶ \$												

**Part III Grants or Assistance Benefiting Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 27.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of assistance	(d) Type of assistance	(e) Purpose of assistance
(1)				
(2)				
(3)				
(4)				
(5)				
(6)				
(7)				
(8)				
(9)				
(10)				

For Paperwork Reduction Act Notice, see the Instructions for Form 990 or 990-EZ.

Schedule L (Form 990 or 990-EZ) 2012

**Part IV Business Transactions Involving Interested Persons.**

Complete if the organization answered "Yes" on Form 990, Part IV, line 28a, 28b, or 28c.

(a) Name of interested person	(b) Relationship between interested person and the organization	(c) Amount of transaction	(d) Description of transaction	(e) Sharing of organization's revenues?	
				Yes	No
(1) JAMES FOX	SON OF CHAIRMAN	45,469.	EMPLOYMENT		X
(2) KRISTI MAGEE PORCARO	DAUGHTER OF EXEC CHAIR	152,445.	EMPLOYMENT		X
(3) SUZANNE UNGER	DAUGHTER OF CEO	25,696.	EMPLOYMENT		X
(4)					
(5)					
(6)					
(7)					
(8)					
(9)					
(10)					

**Part V Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule L (see instructions).

**SCHEDULE M  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Noncash Contributions**

▶ Complete if the organizations answered "Yes" on Form 990, Part IV, lines 29 or 30.  
▶ Attach to Form 990.

OMB No. 1545-0047

**2012**

Open To Public  
Inspection

Name of the organization

OPERATION SMILE, INC.

Employer identification number

54-1460147

**Part I Types of Property**

	(a) Check if applicable	(b) Number of contributions or items contributed	(c) Noncash contribution amounts reported on Form 990, Part VIII, line 1g	(d) Method of determining noncash contribution amounts
1 Art - Works of art . . . . .				
2 Art - Historical treasures . . . . .				
3 Art - Fractional interests . . . . .				
4 Books and publications . . . . .				
5 Clothing and household goods . . . . .				
6 Cars and other vehicles . . . . .				
7 Boats and planes . . . . .				
8 Intellectual property . . . . .				
9 Securities - Publicly traded . . . . .	X	19.	47,651.	FMV
10 Securities - Closely held stock . . . . .				
11 Securities - Partnership, LLC, or trust interests . . . . .				
12 Securities - Miscellaneous . . . . .				
13 Qualified conservation contribution - Historic structures . . . . .				
14 Qualified conservation contribution - Other . . . . .				
15 Real estate - Residential . . . . .				
16 Real estate - Commercial . . . . .				
17 Real estate - Other . . . . .				
18 Collectibles . . . . .				
19 Food inventory . . . . .				
20 Drugs and medical supplies . . . . .	X	73.	2,228,823.	COST
21 Taxidermy . . . . .				
22 Historical artifacts . . . . .				
23 Scientific specimens . . . . .				
24 Archeological artifacts . . . . .				
25 Other ▶( _____ )				
26 Other ▶( _____ )				
27 Other ▶( _____ )				
28 Other ▶( _____ )				

29 Number of Forms 8283 received by the organization during the tax year for contributions for which the organization completed Form 8283, Part IV, Donee Acknowledgement . . . . . **29**

	Yes	No
30 a During the year, did the organization receive by contribution any property reported in Part I, lines 1-28 that it must hold for at least three years from the date of the initial contribution, and which is not required to be used for exempt purposes for the entire holding period? . . . . .		X
b If "Yes," describe the arrangement in Part II.		
31 Does the organization have a gift acceptance policy that requires the review of any non-standard contributions? . . . . .	X	
32 a Does the organization hire or use third parties or related organizations to solicit, process, or sell noncash contributions? . . . . .		X
b If "Yes," describe in Part II.		
33 If the organization did not report an amount in column (c) for a type of property for which column (a) is checked, describe in Part II.		

For Paperwork Reduction Act Notice, see the instructions for Form 990.

Schedule M (Form 990) (2012)

**Part II**

**Supplemental Information.** Complete this part to provide the information required by Part I, lines 30b, 32b, and 33, and whether the organization is reporting in Part I, column (b), the number of contributions, the number of items received, or a combination of both. Also complete this part for any additional information.

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**SCHEDULE O**  
(Form 990 or 990-EZ)

**Supplemental Information to Form 990 or 990-EZ**

OMB No. 1545-0047

**2012**

Open to Public  
Inspection

Department of the Treasury  
Internal Revenue Service

Complete to provide information for responses to specific questions on  
Form 990 or 990-EZ or to provide any additional information.  
▶ Attach to Form 990 or 990-EZ.

Name of the organization

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OPERATION SMILE, INC.

54-1460147

ORGANIZATION'S MISSION

FORM 990, PART III, LINE 1

OPERATION SMILE IS A CHILDREN'S MEDICAL CHARITY THAT HAS A PRESENCE IN MORE THAN 60 COUNTRIES TO PROVIDE FREE, SAFE TREATMENT AND SURGERY FOR THOSE WHO SUFFER FROM FACIAL DEFORMITIES SUCH AS CLEFT LIPS AND CLEFT PALATES. THE ORGANIZATION WORKS TO BUILD SELF-SUFFICIENCY AND SUSTAINABLE HEALTHCARE INFRASTRUCTURES IN OUR PARTNER COUNTRIES. TO DO THIS, OPERATION SMILE TRAINS LOCAL DOCTORS TO TREAT CHILDREN IN THEIR OWN COMMUNITIES, DONATES CRUCIAL MEDICAL EQUIPMENT AND SUPPLIES, BUILDS PUBLIC-PRIVATE PARTNERSHIPS, AND CREATES IN-COUNTRY FOUNDATIONS TO INCREASE CAPACITY. OPERATION SMILE IS COMMITTED TO RAISING PUBLIC AWARENESS, EDUCATING, AND SERVING AS AN ADVOCATE FOR CHILDREN BORN WITH CLEFT LIP AND CLEFT PALATE. THROUGH PARTNERSHIPS, OPERATION SMILE IS CONDUCTING RESEARCH TO ULTIMATELY HELP PREVENT THE INCIDENCE OF CLEFTS BY IDENTIFYING THE CAUSES OF CLEFTING. BY INSPIRING ACTION AND LEADERSHIP, THE ORGANIZATION HAS MOBILIZED MORE THAN 5,400 MEDICAL VOLUNTEERS IN MORE THAN 80 COUNTRIES AND MORE THAN 900 STUDENT CLUBS AND ASSOCIATIONS AROUND THE WORLD. OPERATION SMILE ALSO EDUCATES AND ENCOURAGES COMMUNITIES TO SPREAD AWARENESS AND STRENGTHEN UNDERSTANDING ABOUT CLEFT CONDITIONS AND POSSIBLE CAUSES OF CLEFTING.

OFFICER RELATIONSHIPS

FORM 990, PART VI, SECTION A, LINE 2

WILLIAM P. MAGEE, JR., DIRECTOR AND CEO, IS THE SPOUSE OF KATHLEEN S.



Name of the organization

OPERATION SMILE, INC.

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MAGEE, DIRECTOR AND PRESIDENT. KRISTIE MAGEE PORCARO, THE MAGEES' DAUGHTER, IS AN EMPLOYEE OF OPERATION SMILE, INC.

## 990 REVIEW

FORM 990, PART VI, SECTION B, LINE 11B  
AFTER COMPLETION OF THE 990 BY OPERATION SMILE FINANCE DEPARTMENT, WITH ASSISTANCE FROM KPMG, THE COMPLETED 990 IS FORWARDED TO THE AUDIT COMMITTEE AND THE BOARD OF DIRECTORS. THE CHAIRMAN OF THE AUDIT COMMITTEE REVIEWS THE 990 AND SUPPORTING DOCUMENTATION. ALL COMMENTS ARE ADDRESSED BY THE FINANCE DEPARTMENT PRIOR TO SUBMISSION TO THE IRS.

## CONFLICT OF INTEREST

FORM 990, PART VI, LINE 12C  
ANNUALLY, THE CONFLICT OF INTEREST REPORTING IS REVIEWED BY THE BOARD. ADDITIONALLY, AND ROUTINELY, THE BOARD REQUESTS ALL CONFLICTS OF INTEREST TO BE DISCLOSED AND/OR UPDATED. THE ORGANIZATION HAS AN EXTENSIVE CONFLICT OF INTEREST POLICY THAT REQUIRES ANY OFFICER, DIRECTOR, OR EMPLOYEE WITH A CONFLICT OR POTENTIAL CONFLICT OF INTEREST TO DISCLOSE ALL RELEVANT INFORMATION.

## COMPENSATION REVIEW

FORM 990, PART VI, SECTION B, LINES 15A AND B  
COMPENSATION FOR TOP MANAGEMENT OFFICIALS AND OTHER KEY EMPLOYEES IS DETERMINED BY COMPARING SIMILAR POSITIONS WITH COMPARABLE DUTIES AT OTHER ORGANIZATIONS AND REVIEWING THE HISTORY OF COMPENSATION FOR THAT POSITION AT OPERATION SMILE. THERE IS INDEPENDENT BOARD APPROVAL FOR THE

Name of the organization

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COMPENSATION OF THESE EMPLOYEES AS NOTED IN THE MINUTES OF THE DIRECTOR MEETINGS.

## DOCUMENT AVAILABILITY

FORM 990, PART VI, SECTION C, LINE 19

GOVERNING DOCUMENTS, CONFLICT OF INTEREST POLICY, AND FINANCIAL

STATEMENTS ARE MADE AVAILABLE AT OPERATION SMILE INTERNATIONAL

HEADQUARTERS, 3641 FACULTY BOULEVARD, VIRGINIA BEACH, VA 23453

ADDITIONALLY, FINANCIAL STATEMENTS AND THE 990 ARE ALSO AVAILABLE ON OUR

WEBSITE AND THE GUIDESTAR WEBSITE: WWW.OPERATIONSMILE.ORG AND

WWW2.GUIDESTAR.ORG.

## STATEMENT OF FUNCTIONAL EXPENSES

FORM 990, PART IX, LINE 26, JOINT COSTS

OPERATION SMILE COMPLETED A LINE COUNT OF DIRECT MAIL PIECES FROM THE

CURRENT YEAR. THE PERCENTAGE THAT RELATED TO EDUCATION AND MANAGEMENT AND

GENERAL EXPENSES WAS APPLIED TO THE COST OF THE DIRECT MAIL PIECE TO

DETERMINE THE RELATED DOLLAR VALUE.

ATTACHMENT 1

FORM 990, PART III - PROGRAM SERVICE, LINE 4A

## MEDICAL MISSIONS AND TREATMENT

OPERATION SMILE PROVIDES FREE, SAFE RECONSTRUCTIVE SURGERY FOR

CHILDREN AND ADULTS SUFFERING FROM CLEFTS. TREATMENT IS DELIVERED

IN SOME OF THE MOST REMOTE REGIONS OF THE WORLD BY LOCAL AND

INTERNATIONAL MEDICAL VOLUNTEERS DURING SURGICAL PROGRAMS, AS WELL

AS THROUGH 37 OPERATION SMILE COMPREHENSIVE CARE CENTERS AND

Name of the organization OPERATION SMILE, INC.	Employer identification number 54-1460147
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ATTACHMENT 1 (CONT'D)

TRAINING & TREATMENT CENTERS THAT PROVIDE YEAR-ROUND PATIENT CARE. OVER ITS 30-YEAR HISTORY, THE ORGANIZATION HAS PERFORMED OVER 3.5 MILLION PATIENT CONSULTATIONS AND MORE THAN 200,000 SURGERIES. IN THE LAST FISCAL YEAR, OPERATION SMILE HOSTED 179 SURGICAL PROGRAMS IN 132 SITES AROUND THE WORLD - INCLUDING 34 NEW SITES IN SOME OF THE POOREST REGIONS OF THE WORLD - AND PROVIDED 17,143 FREE SURGERIES FOR CHILDREN AND YOUNG ADULTS., NEARLY 68% OF THOSE SURGERIES WERE PERFORMED BY IN-COUNTRY LOCAL MEDICAL VOLUNTEERS. THE ORGANIZATION ALSO CONDUCTED OVER 7,463 POST-OPERATIVE SURGICAL EVALUATIONS TO ENSURE OUR PATIENTS ARE HEALING PROPERLY AND TO EVALUATE IF FURTHER CARE IS NEEDED. LAST YEAR, THE INTERNATIONAL MEDICAL VOLUNTEERS PROVIDED OVER 335,000 HOURS OF FREE CARE FOR OPERATION SMILE'S PATIENTS.

AT OUR COMPREHENSIVE CARE CENTERS, OVER 124,583 HEALTHCARE EVALUATIONS WERE CONDUCTED LAST FISCAL YEAR, AND 33% OF THE ORGANIZATION'S SURGERIES WERE PERFORMED IN THESE CARE CENTERS. IN ADDITION TO SURGICAL CARE, THE SERVICES OFFERED IN THESE CARE CENTERS INCLUDES POST-OPERATIVE CARE, COUNSELING, SPEECH THERAPY, DENTISTRY, ORTHODONTICS, NUTRITION AS WELL AS ONGOING TRAINING AND EDUCATION. FOR FAMILIES RESIDING WITHIN THE U.S., OPERATION SMILE OFFERS A RANGE OF CONSULTANCY SERVICES THROUGH ITS U.S. CARE NETWORK. LAST YEAR, OPERATION SMILE OPENED 83 NEW US AND WORLD CARE PATIENT CASES.. IN ADDITION, OPERATION SMILE PROVIDED FREE SURGERIES FOR 10 CHILDREN THROUGH OUR WORLD CARE PROGRAM, WHICH

Name of the organization

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ATTACHMENT 1 (CONT'D)

HELPS PATIENTS WHO HAVE MUCH MORE COMPLICATED DISFIGUREMENTS THAN CAN BE TREATED DURING MEDICAL MISSIONS. FINALLY, OPERATION SMILE PROVIDES A SIGNIFICANT NUMBER OF DENTAL SERVICES TO PATIENTS, IN ORDER TO ENSURE COMPREHENSIVE ORAL CARE. LAST FISCAL YEAR, SIX DENTAL MISSIONS WERE HELD AND MORE THAN 14,000 DENTAL PROCEDURES PERFORMED.

ATTACHMENT 2FORM 990, PART III - PROGRAM SERVICE, LINE 4B

## PUBLIC EDUCATION AND RESEARCH

OPERATION SMILE IS DEDICATED TO RAISING AWARENESS OF THE LIFE-THREATENING ISSUE OF CLEFTS, AS WELL AS PROVIDING LASTING SOLUTIONS THAT ALLOW CHILDREN TO BE HEALED REGARDLESS OF FINANCIAL STANDING. OPERATION SMILE ADVOCATES FOR SAFE SURGERY AS A GLOBAL HEALTH PRIORITY THROUGH PARTNERSHIPS WITH LEADING MEDICAL INSTITUTIONS AND OTHER NONPROFIT ORGANIZATIONS AROUND THE WORLD. TO RESEARCH THE CAUSE OF CLEFTING, OPERATION SMILE ENGAGES IN PARTNERSHIPS, SO WE CAN WORK TOWARD REDUCING THE INCIDENCE OF CLEFTS. FOR EXAMPLE, OPERATION SMILE PILOTTED THE INTERNATIONAL FAMILY STUDY TO EXAMINE GENETIC CHARACTERISTICS OF CLEFTS. TO EDUCATE THE PUBLIC AND GLOBAL COMMUNITIES ABOUT THE ISSUES SURROUNDING CLEFTS, OPERATION SMILE CONDUCTS ONGOING COMMUNICATIONS TO CREATE A GREATER AWARENESS FOR THE GLOBAL NEED, AS WELL AS DELIVERS MESSAGES THAT PROVIDE INFORMATION AND GUIDANCE FOR FAMILIES ON HOW TO PREVENT CLEFTS AND WHAT STEPS TO TAKE WHEN

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ATTACHMENT 2 (CONT'D)

A CHILD IS BORN WITH A CLEFT. OPERATION SMILE HAS MOBILIZED HUNDREDS OF THOUSANDS OF MEDICAL, COMMUNITY AND STUDENT VOLUNTEERS WORLDWIDE TO HELP US EDUCATE THE PUBLIC ABOUT THE CLEFT CAUSE. MORE THAN 900 STUDENT CLUBS AND ASSOCIATIONS IN OVER 50 COUNTRIES CHANNEL THEIR COMPASSION AND ENERGIES TO HELP EDUCATE OTHERS WHILE BUILDING CORE VALUES OF LEADERSHIP AND VOLUNTEERISM, LEARNING FIRSTHAND HOW THEY CAN CREATE AN IMPACT IN THE WORLD AND HELP HEAL HUMANITY.

## TRAINING AND BUILDING SUSTAINABILITY

OPERATION SMILE CONTINUALLY ADVANCES ITS MISSION TO BUILD A SELF-SUFFICIENT GLOBAL HEALTH NETWORK FOR THE TREATMENT OF CLEFTS. WE DO THIS BY TRAINING HEALTHCARE PROVIDERS AROUND THE WORLD TO GIVE THEM THE HIGHLY-SPECIALIZED SKILLS NEEDED TO PROVIDE TREATMENT FOR THE BACKLOG OF CHILDREN ALREADY SUFFERING FROM CLEFTS, AND FOR THOSE BABIES WHO ARE BORN EVERY DAY WITH THIS TRAGIC FACIAL DEFORMITY. IN ADDITION, THE ORGANIZATION DONATES CRUCIAL MEDICAL EQUIPMENT AND SUPPLIES; DEVELOPS PUBLIC/PRIVATE PARTNERSHIPS; AND CREATES GLOBAL, IN-COUNTRY FOUNDATIONS THAT STRENGTHEN LOCAL DEVELOPMENT, RAISE FUNDS AND AWARENESS AS WELL AS COORDINATE SURGICAL PROGRAMS. OPERATION SMILE HAS ALSO ESTABLISHED 21 COMPREHENSIVE CARE CENTERS AND TRAINING & TEACHING CENTERS

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ATTACHMENT 2 (CONT'D)

DESIGNED TO PROVIDE YEAR-ROUND CARE AND TRAIN MEDICAL VOLUNTEERS TO HELP INCREASE IN-COUNTRY CAPACITY. THROUGH PARTNERSHIPS WITH THE AMERICAN HEART ASSOCIATION, AS WELL AS WITH LEADING MEDICAL AND TEACHING INSTITUTIONS AND FOUNDATIONS, HEALTHCARE PROFESSIONALS FROM DEVELOPING COUNTRIES RECEIVE EVIDENCE BASED EDUCATION, HANDS ON TRAINING AND MENTORING. OPERATION SMILE ALSO SPONSORED CONFERENCES, SEMINARS, WORKSHOPS, ROTATION PROGRAMS, VISITING PROFESSORSHIPS, EXCHANGES, AND SHORT AND LONG TERM FELLOWSHIPS. TO ENSURE THAT SURGERIES ARE PERFORMED UNDER THE SAFEST CONDITIONS, OPERATION SMILE CERTIFIES AND TRAINS INTERNATIONAL MEDICAL PERSONNEL IN THE AMERICAN HEART ASSOCIATION'S (AHA) LIFE SUPPORT PROGRAM AND PROMOTES REGULAR USE OF THE WORLD HEALTH ORGANIZATION'S (WHO) SURGICAL SAFETY CHECKLIST AS WELL AS THE SOCIETY FOR PEDIATRIC ANESTHESIA'S WAKE UP SAFE INITIATIVE.

## STUDENT PROGRAMS

TO OPERATION SMILE, STUDENTS OFFER THE ENERGY AND PASSION NECESSARY TO SPARK THE RIPPLE EFFECT FOR CHANGE. OVER 900 STUDENT CLUBS AND ASSOCIATIONS IN 54 COUNTRIES - FROM GRADE SCHOOLS TO UNIVERSITIES - USE THEIR COMPASSION AND SELFLESSNESS TO HELP CHANGE CHILDREN'S LIVES. OPERATION SMILE'S STUDENT PROGRAMS OFFER

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ATTACHMENT 2 (CONT'D)

YOUTH A UNIQUE OPPORTUNITY TO UNDERSTAND THE IMPORTANCE OF GIVING BACK TO THEIR COMMUNITIES AND THE WORLD, AND HELP THEM DEVELOP THE SKILLS NECESSARY TO DO SO. FOR EXAMPLE, HUNDREDS OF HIGH SCHOOL STUDENTS FROM AROUND THE WORLD VOLUNTEER ON OPERATION SMILE'S SURGICAL PROGRAMS EVERY YEAR, PROVIDING EDUCATION ON BURN CARE AND PREVENTION, ORAL REHYDRATION THERAPY, DENTAL HYGIENE, NUTRITION, AND HAND WASHING TO INFORM LOCAL POPULATIONS OF BASIC HEALTHCARE THAT ULTIMATELY IMPROVES QUALITY OF LIFE. LOCAL IN-COUNTRY STUDENTS ALSO VOLUNTEER DURING SURGICAL PROGRAMS TO SERVE AS TRANSLATORS AND HELP ENTERTAIN AND SOOTHE PATIENTS DURING SCREENING AND IN THE RECOVERY WARDS. EACH YEAR, OPERATION SMILE ALSO HOSTS THE INTERNATIONAL STUDENT LEADERSHIP CONFERENCE WHERE STUDENTS LEARN ABOUT LEADERSHIP, CHARACTER DEVELOPMENT, TEAM BUILDING, AND CELEBRATE CULTURAL DIVERSITY. IN 2013, OVER 450 STUDENTS FROM 20 DIFFERENT COUNTRIES TRAVELED TO OLD DOMINION UNIVERSITY IN NORFOLK, VIRGINIA WHERE THEY GAINED A BETTER UNDERSTANDING OF GLOBAL CULTURES AND DEVELOPED THEIR SKILLS AS FUTURE PHILANTHROPIC LEADERS.

ATTACHMENT 3FORM 990, PART V, LINE 4B - FOREIGN COUNTRIES

ETHIOPIA

ITALY

RWANDA

VIETNAM

Name of the organization OPERATION SMILE, INC.	Employer identification number 54-1460147
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ATTACHMENT 4

FORM 990, PART VI, LINE 17 - STATES

AL, AK, AZ, AR, CA, CO, CT,  
 FL, GA, HI, IL, KS, KY, LA, ME, MD, MA, MI,  
 MN, MS, MT, NH, NJ, NM, NY, NC, ND, OH, OK, OR, PA,  
 RI, SC, TN, UT, VA, WA, WV, WI,

ATTACHMENT 5

990, PART VII- COMPENSATION OF THE FIVE HIGHEST PAID IND. CONTRACTORS

<u>NAME AND ADDRESS</u>	<u>DESCRIPTION OF SERVICES</u>	<u>COMPENSATION</u>
RUSS REID 2 NORTH LAKE AVE, SUITE 600 PASADENA, CA 91101	FNDR COUNSEL	1,384,752.
HOURGIAN CONSTRUCTION 4429 BONNEY RD. VIRGINIA BEACH, VA 23462	BUILDING CONST.	10,649,542.
STRATEGIC FUNDRAISING 2625 MOMENTUM PL. CHICAGO, IL 60689	TELEFUNDRAISING SERV	1,936,202.
MERKLE RESPONSE SERVICES 100 JAMISON CT HAGERSTOWN, MD 21740	KEYING & CAGING	403,495.
MAFCO LIMITED SEDE LEGALE VIA NERE N.4/8 00199 ROME ITALY	PROGRAM MANAGEMENT	174,893.



**SCHEDULE R  
(Form 990)**

Department of the Treasury  
Internal Revenue Service

**Related Organizations and Unrelated Partnerships**

▶ Complete if the organization answered "Yes" to Form 990, Part IV, line 33, 34, 35, 36, or 37.  
▶ Attach to Form 990. ▶ See separate instructions.

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**Part I Identification of Disregarded Entities** (Complete if the organization answered "Yes" to Form 990, Part IV, line 33.)

(a) Name, address, and EIN (if applicable) of disregarded entity	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Total income	(e) End-of-year assets	(f) Direct controlling entity
(1) OS HQ, LLC 3641 FACULTY BLVD VIRGINIA BEACH, VA 23453 54-1460147	GLOBAL HQ	VA	2,606,503.	26,850,662.	OPERATION SM
(2) -----					
(3) -----					
(4) -----					
(5) -----					
(6) -----					

**Part II Identification of Related Tax-Exempt Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related tax-exempt organizations during the tax year.)

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Exempt Code section	(e) Public charity status (if section 501(c)(3))	(f) Direct controlling entity	(g) Section 512(b)(13) controlled entity?	
						Yes	No
(1) STOP CLEFT - INTERNATIONAL ALLIANCE 4705 COLOMBUS ST., SUITE 300 VIRGINIA BEACH, VA 23462 54-1639160	LT SUPPORT	VA	501(C)(3)	11A I	N/A		X
(2) -----							
(3) -----							
(4) -----							
(5) -----							
(6) -----							
(7) -----							

For Paperwork Reduction Act Notice, see the Instructions for Form 990.

Schedule R (Form 990) 2012

**Part III Identification of Related Organizations Taxable as a Partnership (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a partnership during the tax year.)**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Predominant income (related, unrelated, excluded from tax under sections 512-514)	(f) Share of total income	(g) Share of end-of-year assets	(h) Disproportionate allocations		(i) Code V-JBI amount in box 20 of Schedule K-1 (Form 1065)	(j) General or managing partner?		(k) Percentage ownership
							Yes	No		Yes	No	
(1) -----												
(2) -----												
(3) -----												
(4) -----												
(5) -----												
(6) -----												
(7) -----												

**Part IV Identification of Related Organizations Taxable as a Corporation or Trust (Complete if the organization answered "Yes" to Form 990, Part IV, line 34 because it had one or more related organizations treated as a corporation or trust during the tax year.)**

(a) Name, address, and EIN of related organization	(b) Primary activity	(c) Legal domicile (state or foreign country)	(d) Direct controlling entity	(e) Type of entity (C corp, S corp, or trust)	(f) Share of total income	(g) Share of end-of-year assets	(h) Percentage ownership	(i) Section 512(b)(13) controlled entity?	
								Yes	No
(1) -----									
(2) -----									
(3) -----									
(4) -----									
(5) -----									
(6) -----									
(7) -----									

**Part V Transactions With Related Organizations** (Complete if the organization answered "Yes" to Form 990, Part IV, line 34, 35b, or 36.)

**Note.** Complete line 1 if any entity is listed in Parts II, III, or IV of this schedule.

		Yes	No
<b>1</b>	During the tax year, did the organization engage in any of the following transactions with one or more related organizations listed in Parts II-IV?		
<b>a</b>	Receipt of (i) interest (iii) annuities (iii) royalties or (iv) rent from a controlled entity . . . . .		X
<b>b</b>	Gift, grant, or capital contribution to related organization(s) . . . . .		X
<b>c</b>	Gift, grant, or capital contribution from related organization(s) . . . . .		X
<b>d</b>	Loans or loan guarantees to or for related organization(s) . . . . .		X
<b>e</b>	Loans or loan guarantees by related organization(s) . . . . .	X	
<b>f</b>	Dividends from related organization(s) . . . . .		X
<b>g</b>	Sale of assets to related organization(s) . . . . .		X
<b>h</b>	Purchase of assets from related organization(s) . . . . .		X
<b>i</b>	Exchange of assets with related organization(s) . . . . .		X
<b>j</b>	Lease of facilities, equipment, or other assets to related organization(s) . . . . .		X
<b>k</b>	Lease of facilities, equipment, or other assets from related organization(s) . . . . .		X
<b>l</b>	Performance of services or membership or fundraising solicitations for related organization(s) . . . . .		X
<b>m</b>	Performance of services or membership or fundraising solicitations by related organization(s) . . . . .		X
<b>n</b>	Sharing of facilities, equipment, mailing lists, or other assets with related organization(s) . . . . .		X
<b>o</b>	Sharing of paid employees with related organization(s) . . . . .		X
<b>p</b>	Reimbursement paid to related organization(s) for expenses . . . . .		X
<b>q</b>	Reimbursement paid by related organization(s) for expenses . . . . .		X
<b>r</b>	Other transfer of cash or property to related organization(s) . . . . .		X
<b>s</b>	Other transfer of cash or property from related organization(s) . . . . .		X

	(a) Name of other organization	(b) Transaction type (e-s)	(c) Amount involved	(d) Method of determining amount involved
<b>(1)</b>				
<b>(2)</b>				
<b>(3)</b>				
<b>(4)</b>				
<b>(5)</b>				
<b>(6)</b>				

**2** If the answer to any of the above is "Yes," see the instructions for information on who must complete this line, including covered relationships and transaction thresholds.

Part VI Unrelated Organizations Taxable as a Partnership (Complete if the organization answered "Yes" on Form 990, Part IV, line 37.)

Provide the following information for each entity taxed as a partnership through which the organization conducted more than five percent of its activities (measured by total assets or gross revenue) that was not a related organization. See instructions regarding exclusion for certain investment partnerships.

Table with 16 rows and 11 columns: (a) Name, address, and EIN of entity; (b) Primary activity; (c) Legal domicile; (d) Predominant income; (e) Are all partners 501(c)(3) organizations?; (f) Share of total income; (g) Share of end-of-year assets; (h) Disproportionate allocations?; (i) Code V-UBI amount; (j) General or managing partner?; (k) Percentage ownership.

**Part VII Supplemental Information**

Complete this part to provide additional information for responses to questions on Schedule R (see instructions).

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