

# THE SILVER STAR FAMILIES OF AMERICA

Independent Auditors' Report

Financial statements:

Statements of financial position

Statements of activities

Statements of functional expenses

Statements of cash flows

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FINANCIAL STATEMENTS  
WITH  
INDEPENDENT AUDITORS' REPORT

YEARS ENDED DECEMBER 31, 2010 AND 2009

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# RMMC

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**Certified Public Accountants**

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
The Silver Star Families of America  
Clever, Missouri

We have audited the accompanying statements of financial position of The Silver Star Families of America as of December 31, 2010 and 2009, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Silver Star Families of America as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

*Roberts, McKenzie, Mangan & Cummings*

July 29, 2011

THE SILVER STAR FAMILIES OF AMERICA  
STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31,	
	2010	2009
Current assets:		
Cash and cash equivalents	\$ 8,289	\$ 11,509
Inventory	1,610	1,240
Prepaid expenses	2,583	4,542
Other receivables	524	-
Total current assets	13,006	17,291
Property and equipment:		
Leasehold improvements	5,518	4,954
Furniture and fixtures	705	705
Office and computer equipment	1,338	708
	7,561	6,367
Less accumulated depreciation	(838)	(129)
	6,723	6,238
	\$ 19,729	\$ 23,529

LIABILITY AND NET ASSETS

Current liability:		
Accounts payable	\$ 876	\$ -
Net assets:		
Unrestricted net assets	18,823	23,529
Temporarily restricted net assets	30	-
	18,853	23,529
	\$ 19,729	\$ 23,529

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

STATEMENTS OF ACTIVITIES

For the year ended 31/12/2020

	2020	2019
Revenue	1000	1000
Expenses	(500)	(500)
Profit	500	500
Other income	100	100
Other expenses	(200)	(200)
Net profit	400	400
Transfer to reserves	(400)	(400)
Reserves	400	400

THE SILVER STAR FAMILIES OF AMERICA

STATEMENTS OF ACTIVITIES

	Year ended December 31, 2010		
	Unrestricted	Temporarily Restricted	Total
Public support and other revenue:			
Public support:			
Contributions	\$ 7,603	\$ 1,250	\$ 8,853
Sponsorships-flags/banners	1,993	-	1,993
Fundraising events	1,179	-	1,179
Grant revenue	-	9,000	9,000
In-kind contributions	3,781	-	3,781
Total public support	14,556	10,250	24,806
Other revenue:			
Sales – store items	171	-	171
Less cost of sales	(54)	-	(54)
	117	-	117
Interest income	17	-	17
Total other revenue	134	-	134
Total public support and other revenue	14,690	10,250	24,940
Net assets released from restrictions	10,220	(10,220)	-
Expenses:			
Program services	21,176	-	21,176
General and administrative expenses	4,251	-	4,251
Fundraising expense	4,189	-	4,189
Total expenses	29,616	-	29,616
Change in net assets	(4,706)	30	(4,676)
Net assets, beginning of year	23,529	-	23,529
Net assets, end of year	\$ 18,823	\$ 30	\$ 18,853

	Year ended December 31, 2009		
	Unrestricted	Temporarily Restricted	Total
Public support and other revenue:			
Public support:			
Contributions	\$ 6,879	\$ -	\$ 6,879
Sponsorships-flags/banners	3,870	-	3,870
Fundraising events	3,680	-	3,680
Grant revenue	-	-	-
In-kind contributions	<u>6,863</u>	<u>-</u>	<u>6,863</u>
Total public support	<u>21,292</u>	<u>-</u>	<u>21,292</u>
Other revenue:			
Sales – store items	593	-	593
Less cost of sales	<u>(720)</u>	<u>-</u>	<u>(720)</u>
Interest income	<u>50</u>	<u>-</u>	<u>50</u>
Total other revenue	<u>(77)</u>	<u>-</u>	<u>(77)</u>
Total public support and other revenue	<u>21,215</u>	<u>-</u>	<u>21,215</u>
Net assets released from restrictions	<u>-</u>	<u>-</u>	<u>-</u>
Expenses:			
Program services	9,194	-	9,194
General and administrative expenses	1,797	-	1,797
Fundraising expense	<u>1,793</u>	<u>-</u>	<u>1,793</u>
Total expenses	<u>12,784</u>	<u>-</u>	<u>12,784</u>
Change in net assets	8,431	-	8,431
Net assets, beginning of year	<u>15,098</u>	<u>-</u>	<u>15,098</u>
Net assets, end of year	<u>\$ 23,529</u>	<u>\$ -</u>	<u>\$ 23,529</u>

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





THE SILVER STAR FAMILIES OF AMERICA

STATEMENTS OF FUNCTIONAL EXPENSES

	Year ended December 31, 2010			
	Program	Management and General	Fundraising	Total
Care packages and donations	\$ 9,173	\$ -	\$ -	\$ 9,173
Flags/banners	5,528	-	-	5,528
Professional fees	-	1,367	2,733	4,100
Communications	2,015	-	-	2,015
Rent expense	1,600	-	-	1,600
Repairs/maintenance	603	602	602	1,807
Postage and mailings	1,331	-	-	1,331
Materials/supplies for resale	-	-	724	724
Insurance	-	797	-	797
Depreciation	-	709	-	709
Conferences and meetings	701	-	-	701
Office supplies	-	549	-	549
Utilities	96	96	95	287
Property taxes	-	95	-	95
Volunteer recognition	94	-	-	94
Membership fees	-	-	-	-
Bank and paypal fees	-	36	35	71
State coordinator fees	35	-	-	35
	<u>\$ 21,176</u>	<u>\$ 4,251</u>	<u>\$ 4,189</u>	<u>\$ 29,616</u>

	Year ended December 31, 2009			
	Program	Management and General	Fundraising	Total
Care packages and donations	\$ 426	\$ -	\$ -	\$ 426
Flags/banners	3,032	-	-	3,032
Professional fees	-	-	-	-
Communications	1,802	-	-	1,802
Rent expense	1,600	-	-	1,600
Repairs/maintenance	-	-	-	-
Postage and mailings	1,248	-	-	1,248
Materials/supplies for resale	-	-	1,793	1,793
Insurance	-	369	-	369
Depreciation	-	129	-	129
Conferences and meetings	969	-	-	969
Office supplies	-	1,115	-	1,115
Utilities	-	-	-	-
Property taxes	-	-	-	-
Volunteer recognition	50	-	-	50
Membership fees	-	35	-	35
Bank and paypal fees	-	149	-	149
State coordinator fees	67	-	-	67
	<u>\$ 9,194</u>	<u>\$ 1,797</u>	<u>\$ 1,793</u>	<u>\$ 12,784</u>

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

THE SILVER STAR FAMILIES OF AMERICA

STATEMENTS OF CASH FLOWS

	<u>Year ended December 31,</u>	
	<u>2010</u>	<u>2009</u>
Cash flows from operating activities:		
Increase (decrease) in net assets	\$ (4,676)	\$ 8,431
Adjustment to reconcile increase (decrease) in net assets to net cash provided by (used in) operating activities:		
Depreciation	709	129
In-kind contribution of property	(979)	(4,783)
(Increase) decrease in assets:		
Inventory	(370)	(87)
Prepaid expenses	1,959	(3,293)
Other receivables	(524)	-
Increase in liabilities:		
Accounts payable	<u>876</u>	<u>-</u>
Net cash provided by (used in) operating activities	(3,005)	397
Cash flows from investing activities:		
Purchase of property and equipment	<u>(215)</u>	<u>(1,584)</u>
Net decrease in cash and cash equivalents	(3,220)	(1,187)
Cash and cash equivalents, beginning of year	<u>11,509</u>	<u>12,696</u>
Cash and cash equivalents, end of year	<u>\$ 8,289</u>	<u>\$ 11,509</u>

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

THE SILVER STAR FAMILIES OF AMERICA

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2010

1. Summary of significant accounting policies

Organization and nature of activities

The Silver Star Families of America (the Organization) was organized to provide free services to the wounded members of the Armed forces, including, but not limited to, presentation of a Silver Star Banner and certificate. The Organization's mission is to also act as an advocate for the wounded and to educate the public on the plight of the wounded. The Organization also provides care packages to the wounded as well as to various military and V.A. hospitals. The Organization is funded through contributions from donors across the country and various fundraisers and grant awards.

The financial statements of the Organization have been prepared on the accrual basis. The significant accounting policies are described below to enhance the usefulness of the financial statements to the reader.

Financial statement presentation

The Organization has adopted Statement of Financial Accounting Standards (SFAS) No. 117, "Financial Statements of Not-for-Profit Organizations." Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, by actions of the Organization and/or the passage of time. When a restriction expires or is otherwise satisfied, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes. As of December 31, 2010 and 2009, the Organization had no permanently restricted net assets.

1. Summary of significant accounting policies (continued)

Income tax status

The Organization qualifies as a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code and, therefore, has no provision for federal income taxes.

For the years ended December 31, 2010 and 2009, the Organization engaged in no activities that would be taxed as unrelated business income. Accordingly, the accompanying financial statements do not reflect any provision for income taxes.

The Organization adopted the provisions of FASB Interpretation No. 48, *Accounting for Uncertainty in Income Taxes* (FASB ASC 740-10), effective January 1, 2009. Under the interpretation, the Organization would record a liability for uncertain tax positions when it is probable that a tax position would not be upheld under examination and the amount can be reasonably estimated. The Organization continually evaluates expiring statutes of limitations, changes in tax law and new authoritative rulings in determining if there are unreasonable tax positions subject to the provisions of FASB Interpretation No. 48. At December 31, 2010 and 2009, the Organization has determined that there were no unreasonable tax positions whereby a liability would need to be recorded.

The federal Form 990 tax returns of the Organization for 2007, 2008 and 2009 are subject to examination by the respective taxing authorities, generally for three years after they were filed.

Contributions

Financial statement presentation follows the Financial Accounting Standards Board's Statement of Financial Accounting Standards (SFAS) No. 116, "Accounting for Contributions Received and Contributions Made." Under SFAS No. 116, the Organization is required to report contributions received as unrestricted, temporarily restricted, and permanently restricted, depending on the existence or nature of any donor restrictions. Temporarily restricted contributions are reclassified to unrestricted contributions upon satisfaction of the purpose of the restrictions.

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements and the reported amounts or revenues and expenses during the reporting period. Actual results could differ from those estimates.

Cash and cash equivalents

For purposes of the statements of cash flows, the Organization considers all short-term investments with original maturities of three months or less at the financial statement date to be cash equivalents. Accordingly, a certificate of deposit held by the Organization in the amount of \$5,067 and \$5,050 at December 31, 2010 and 2009, respectively, is included in cash and cash equivalents and the accompanying statements of financial position.

1. Summary of significant accounting policies (continued)

Property and equipment

Property and equipment is recorded at cost or at an estimated fair value at the date of the gift. Donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. The Organization follows the practice of capitalizing all expenditures for property and equipment with useful lives greater than one year. Depreciation is provided using the straight-line method over the estimated useful lives of the assets. Depreciation expense was \$709 and \$129 for the years ended December 31, 2010 and 2009, respectively.

Inventory

Inventory consists of various items from the organization's online store. Inventory is stated at cost and determined by the first-in first-out method of valuing inventory.

In-kind contributions

During the years ended December 31, 2010 and 2009, the Organization received donations of materials, supplies, and equipment to renovate and maintain the home office. These donations have been included as in-kind revenue in the accompanying statements of activities and as corresponding assets in the accompanying statements of financial position at the fair market value of the items at the date on donation. Total in-kind donations during the year related to these donated materials, supplies, and equipment was \$2,181 and \$5,263 for the years ended December 31, 2010 and 2009, respectively.

Labor supplied by volunteers to carry out the Organization's mission and to remodel the home office has not been included as a in-kind donation in the accompanying financial statements as it does not meet the professional requirement for measurement under SFAS 116. The value of these services has not been determined.

The Organization's founder and treasurer owns the building which serves as the Organization's home office. Accordingly, an in-kind donation of \$1,600 and offsetting rent expense for the years ended December 31, 2010 and 2009 has been included in the accompanying statements of activities for the value of the space the Organization would otherwise have to rent.

2. Temporarily restricted net assets

Temporarily restricted net assets are available for the following purpose after December 31, 2010:

Headquarter building maintenance and operations	<u>\$ 30</u>
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2. Temporarily restricted net assets (continued)

Temporarily restricted net assets were released from restrictions during the year ended December 31, 2010 as follows:

Satisfaction of usage restrictions:	
Building maintenance and operations	\$ 1,220
Grant expenditures	<u>9,000</u>
	<u>\$ 10,220</u>

3. Subsequent event

The Organization has evaluated subsequent events through July 29, 2011, the date which the financial statements were available to be issued. There were no significant events noted that did not exist at the date of the statements of financial position but arose subsequent to that date.