



Financial Statements

December 31, 2011

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Certification

I hereby certify that:

1. Based on my knowledge, these financial statements do not contain any untrue statements of material fact or omit a material fact necessary to make the statements, in light of the circumstances under which such statements were made, not misleading.
2. Based on my knowledge, the financial statements, and financial information included in this report, fairly present, in all material respect, the financial condition, results of operation, and cash flows of Operation Stars & Stripes, Inc. as of, and for the year ended December 31, 2011.

Elisabeth Romanik

4/15/2011

Elisabeth Romanik, Secretary & Fundraising Chair

Date

**Statement of Revenue & Expenses
Year Ended December 31, 2011**

Operation Stars & Stripes, Inc. Statement of Financial Income and Expense

January through December 2011

	Total			
	Jan - Dec 11	Jan - Dec 10	\$ Change	% Change
Ordinary Income/Expense				
Income				
Adjustments Credit	-	200	(200)	-100.00%
Direct Public Support				
Cash Contributions				
Individ, Business Contributions	11,343	9,078	2,265	24.95%
Total Cash Contributions	<u>11,343</u>	<u>9,078</u>	<u>2,265</u>	<u>24.95%</u>
Gifts in Kind - Goods				
Bags of Love				
Books & Publications	1,768	2,097	(329)	-15.67%
Clothing/Household Items	539	1,006	(467)	-46.43%
Food Items	3,593	7,120	(3,527)	-49.53%
Toiletries	-	24	(24)	-100.00%
Total Bags of Love	<u>5,901</u>	<u>10,247</u>	<u>(4,346)</u>	<u>-42.42%</u>
Beat the Heat				
Books & Publications	-	185	(185)	-100.00%
Clothing/Household Items	7,785	4,096	3,690	90.08%
Food Items	1,135	822	313	38.06%
Toiletries	13,796	3,098	10,698	345.31%
Total Beat the Heat	<u>22,716</u>	<u>8,201</u>	<u>14,515</u>	<u>176.98%</u>
Eggstravaganza				
Books & Publications	426	438	(13)	-2.92%
Clothing/Household Items	-	379	(379)	-100.00%
Food Items	444	-	444	100.00%
Total Eggstravaganza	<u>870</u>	<u>818</u>	<u>52</u>	<u>6.39%</u>
General				
Books & Publications	12,530	13,520	(990)	-7.32%
Clothing/Household Items	9,672	4,918	4,753	96.65%
Food Items	19,064	7,438	11,625	156.29%
Postage	-	168	(168)	-100.00%
Toiletries	1,314	2,795	(1,480)	-52.97%
Total General	<u>42,580</u>	<u>28,839</u>	<u>13,741</u>	<u>47.65%</u>
Holiday Stockings				
Books & Publications	2,831	1,593	1,238	77.73%
Clothing/Household Items	15,820	8,348	7,473	89.52%
Food Items	12,629	18,481	(5,852)	-31.67%
Postage	-	630	(630)	-100.00%
Toiletries	6,619	6,034	585	9.70%
Total Holiday Stockings	<u>37,900</u>	<u>35,085</u>	<u>2,815</u>	<u>8.02%</u>
Total Gifts in Kind - Goods	<u>109,966</u>	<u>83,190</u>	<u>26,776</u>	<u>32.19%</u>
Total Direct Public Support	<u>121,310</u>	<u>92,269</u>	<u>29,041</u>	<u>31.48%</u>
Total Income	<u>121,310</u>	<u>92,469</u>	<u>28,841</u>	<u>31.19%</u>
Gross Profit	121,310	92,469	28,841	31.19%
Expense				
Fundraising Expenses				
Advertising Expenses				
Print Expenses	-	53	(53)	-100.00%
Webmaster Services	108	2,594	(2,486)	-95.85%
Total Advertising Expenses	<u>108</u>	<u>2,647</u>	<u>(2,539)</u>	<u>-95.93%</u>
Fundraising Acknowledgement	242	250	(8)	-3.20%
Fundraising Event Fees	-	70	(70)	-100.00%
Printing and Copying	75	-	75	100.00%
Travel and Meetings				
Business Meals	27	-	27	100.00%
Travel	-	229	(229)	-100.00%
Total Travel and Meetings	<u>27</u>	<u>229</u>	<u>(202)</u>	<u>-88.22%</u>
Total Fundraising Expenses	<u>452</u>	<u>3,196</u>	<u>(2,744)</u>	<u>-85.86%</u>
Management & General				
Bank Service Charges				
3rd Party Donations Processing	239	575	(336)	-58.41%

Operation Stars & Stripes, Inc. Statement of Financial Income and Expense

January through December 2011

Total

	Jan - Dec 11	Jan - Dec 10	\$ Change	% Change
Bank Service Charges - Other	29	12	17	138.67%
Total Bank Service Charges	268	587	(319)	-54.38%
Business Registration Fees	600	30	570	1900.00%
Contract Services				
Legal Fees	650	-	650	100.00%
Total Contract Services	650	-	650	100.00%
Facilities and Equipment				
Donated Facilities	380	-	380	100.00%
Total Facilities and Equipment	380	-	380	100.00%
Supplies Mgmt and General	1,230	233	997	428.64%
Total Management & General	3,127	849	2,278	268.17%
Program Expenses				
Awards and Grants				
Noncash Awards and Grants	96,804	82,953	13,851	16.70%
Total Awards and Grants	96,804	82,953	13,851	16.70%
Inventory Purchased for Grants	1,938	2,001	(63)	-3.13%
Postage & Supplies				
Postal Supplies	429	48	381	789.22%
Shipping to Grantors	8,913	6,240	2,673	42.83%
Total Postage & Supplies	9,342	6,288	3,054	48.56%
Total Program Expenses	108,084	91,242	16,842	18.46%
Total Expense	111,663	95,288	16,376	17.19%
Net Ordinary Income	9,646	(2,819)	12,465	-442.18%
Other Income/Expense				
Other Expense				
Adjustments Debits	-	699	(699)	-100.00%
Total Other Expense	-	699	(699)	-100.00%
Net Other Income	-	(699)	699	100.00%
Net Income	9,646	(3,518)	13,164	-374.20%

Footnotes

1) Donated facilities	4,013
2) Donated Professional Services	5,350

**Statement of Financial Position
Year Ended December 31, 2011**

Operation Stars & Stripes, Inc.
Statement of Financial Position
As of December 31, 2011

	<u>Dec 31, 11</u>	<u>Dec 31, 10</u>	<u>\$ Change</u>	<u>% Change</u>	<u>Comments</u>
ASSETS					
Current Assets					
Checking/Savings					
Checking	22,817	26,555	(3,738)	-14.08%	
Non Cash Contributions					
Purchased Inventory					
Food Items	3,769	1,831	1,938	105.86%	
Toiletries	472	170	302	177.67%	
Purchased Inventory - Other	(4,241)	(2,001)	(2,240)	111.96%	
Total Purchased Inventory	-	-	-	0.00%	
Non Cash Contributions EOY	13,946	864	13,082	1514.46%	Primarily related to inventory received after shipping deadlines. Much of inventory has been awarded in early 2012
Total Non Cash Contributions	13,946	864	13,082	1514.46%	
Total Checking/Savings	36,763	27,419	9,344	34.08%	
Total Current Assets	36,763	27,419	9,344	34.08%	
Fixed Assets					
Furniture and Equipment	302	-	302	100.00%	
Total Fixed Assets	302	-	302	100.00%	
TOTAL ASSETS	37,065	27,419	9,646	35.18%	
LIABILITIES & EQUITY					
Equity					
Opening Bal Equity	100	100	-	0.00%	
Unrestricted Net Assets	27,319	30,837	(3,518)	-11.41%	
Net Income	9,646	(3,518)	13,164	-374.20%	
Total Equity	37,065	27,419	9,646	35.18%	
TOTAL LIABILITIES & EQUITY	37,065	27,419	9,646	35.18%	

Statement of Cash Flows
Year Ended December 31, 2011

Operation Stars & Stripes, Inc.
Statement of Cash Flows
January through December 2011

	<u>Jan - Dec 11</u>
OPERATING ACTIVITIES	
Net Income	<u>9,646</u>
Net cash provided by Operating Activities	9,646
 INVESTING ACTIVITIES	
Furniture and Equipment	<u>(302)</u>
Net cash provided by Investing Activities	<u>(302)</u>
 Net cash increase for period	 9,344
 Cash at beginning of period	 <u>27,419</u>
Cash at end of period	<u><u>36,763</u></u>

Notes to Financial Statements

1. Organization

Operation Stars & Stripes, Inc., is a Georgia not-for-profit organization exempt from income taxes under Section 501 (c)(3) of the United States Internal Revenue Code. Operation Stars & Stripes, Inc. seeks to support active duty personnel, reservists, national guardsmen, veterans, and their families by offering encouragement, through:

- Individualized correspondence and care packages while he or she works under difficult and dangerous conditions overseas,
- Assistance domestically to enhance the quality of life of service members, veterans, and their families, and
- Increasing public awareness and understanding of the hardships of America's military sons and daughters.

Operation Stars & Stripes, Inc., is a stand-alone organization and has no other chapters, subsidiaries or related entities.

2. Summary of Significant Accounting Policies

Basis of Presentation

The financial statements of Operation Stars & Stripes, Inc., have been prepared on the cash basis of accounting.

Net assets, revenues, expenses, and gains and losses are classified based on the existence or absence of donor-imposed restrictions as follows:

- Unrestricted – Net assets not subject to donor-imposed restrictions
- Temporarily Restricted - Net assets subject to donor-imposed restrictions, that may or will, be met by actions by Operation Stars & Stripes, Inc. or that expire through passage of time
- Permanently Restricted - Net assets subject to donor-imposed restrictions that require the assets to be permanently maintained by Operation Stars & Stripes, Inc.

Operation Stars & Stripes, Inc. has no temporarily restricted assets or permanently restricted assets. Should Operation Stars & Stripes, Inc. be required to maintain temporarily restricted assets or permanently restricted assets, such assets would be segregated from unrestricted funds

Annual Fundraising

Operation Stars & Stripes, Inc. conducts year-round fundraising activities via direct solicitation to individual and corporate contributors through:

- Word of mouth by our volunteers, our board members and former and current military troops
- Grassroots fundraising leveraging less costly fundraising avenues, e.g., verbal / emailed / in person requests (“special events”) to schools and civic and / or community organizations
- Limited mailed applications for grants
- Requests for donations via the organization's website.

Cash and Cash Equivalents

Operation Stars & Stripes, Inc. does not maintain cash equivalents. It maintains cash in a banking institution protected by the Federal Deposit Insurance Corporation (FDIC).

Fair Value Measurements

Operation Stars & Stripes, Inc. values its noncash or in-kind donations at the price at which Operation Stars & Stripes, Inc. would receive to sell the donated item in the principal market. In the interest of sending only the best quality items to America's military sons and daughters, Operation Stars & Stripes, Inc. accepts only new, unused, noncash donations. Accordingly, those donations are valued at the fair market value, retail price.

Awards/Grants

Operation Stars & Stripes, Inc. does not distribute its donations to any other organizations. Awards/grants are directly sent to the requesting military unit.

Property and Equipment

Operation Stars & Stripes, Inc. maintains no material property and/or equipment.

Salaries and Benefits

Operation Stars & Stripes, Inc. is an all-volunteer organization. It maintains no paid volunteer, staff, member, or director.