



Financial Statements

December 31, 2009

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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, 2009.

Elisabeth Romanik, Secretary & Fundraising Chair

Date

Statement of Revenue & Expenses
Year Ended December 31, 2009

	Total Unrestricted		TOTAL		
	Jan - Dec 09	Jan - Dec 08	Jan - Dec 09	Jan - Dec 08	
Ordinary Revenue/Expense					
Revenue					
43400 · Direct Public Support					
43440 · Individ, Business Contributions	16,910	14,355	16,910	14,355	
43450 · Gifts in Kind - Goods	54,491	38,950	54,491	38,950	
Total 43400 · Direct Public Support	<u>71,401</u>	<u>53,305</u>	<u>71,401</u>	<u>53,305</u>	
Total Revenue	<u>71,401</u>	<u>53,305</u>	<u>71,401</u>	<u>53,305</u>	
Gross Profit	71,401	53,305	71,401	53,305	
Expense					
60300 · Awards and Grants					
60330 · Noncash Awards and Grants					
60335 · Inventory for Donations	1,131	665	1,131	665	
60350 · Inventory Adjustments	-	10,780	-	10,780	(1)
60330 · Noncash Awards and Grants - Other	55,057	28,153	55,057	28,153	
Total 60330 · Noncash Awards and Grants	<u>56,188</u>	<u>39,598</u>	<u>56,188</u>	<u>39,598</u>	
60340 · Specific Assist to Individuals	204	-	204	-	
Total 60300 · Awards and Grants	<u>56,392</u>	<u>39,598</u>	<u>56,392</u>	<u>39,598</u>	
60900 · Business Expenses					
60920 · Business Registration Fees	60	274	60	274	
Total 60900 · Business Expenses	<u>60</u>	<u>274</u>	<u>60</u>	<u>274</u>	
62100 · Contract Services					
62120 · Webmaster Services	230	461	230	461	
Total 62100 · Contract Services	<u>230</u>	<u>461</u>	<u>230</u>	<u>461</u>	
65000 · Operations					
65020 · Postage, Mailing Service					
65040 · Postal Supplies	678	1,987	678	1,987	
65020 · Postage, Mailing Service - Other	11,229	7,849	11,229	7,849	
Total 65020 · Postage, Mailing Service	<u>11,907</u>	<u>9,836</u>	<u>11,907</u>	<u>9,836</u>	
65030 · Printing and Copying	3	-	3	-	
65080 · Supplies Mgmt and General	306	42	306	42	
Total 65000 · Operations	<u>12,216</u>	<u>9,878</u>	<u>12,216</u>	<u>9,878</u>	
65100 · Other Types of Expenses					
65130 · 3rd Party Donations Processing	466	371	466	371	
65140 · Bank Service Charges	-	18	-	18	
Total 65100 · Other Types of Expenses	<u>466</u>	<u>389</u>	<u>466</u>	<u>389</u>	
68500 · Deposit Correction	-	8	-	8	
68600 · Non Program Related Expenses	200	-	200	-	(2)
Total Expense	<u>69,564</u>	<u>50,608</u>	<u>69,564</u>	<u>50,608</u>	
Net Ordinary Income	1,837	2,697	1,837	2,697	
Other Revenue/Expense					
Other Income					
50000 · Reimbursements Vendor Correct	(61)	(186)	(61)	(186)	(3)
60355 · Other Vendor Corrections	1,131	-	1,131	-	(3)
Total Other Income	<u>1,070</u>	<u>(186)</u>	<u>1,070</u>	<u>(186)</u>	
Net Other Income	<u>1,070</u>	<u>(186)</u>	<u>1,070</u>	<u>(186)</u>	
Income	<u>2,907</u>	<u>2,511</u>	<u>2,907</u>	<u>2,511</u>	

tes:

One time draw down of physical inventory previously awarded to grantees but not recorded
Expense incorrectly applied. Reversed in January 2010
Adjustments for vendor corrections applied or to be applied

Statement of Financial Position
Year Ended December 31, 2009

	Dec 31, 09	Dec 31, 08
ASSETS		
Current Assets		
9397M · Cash and Cash Equivalent	30,355	28,013
9397MI · Non Cash Contributions	581	17
Total Checking/Savings	30,937	28,029
Total Current Assets	30,937	28,029
TOTAL ASSETS	30,937	28,029
LIABILITIES & EQUITY		
Equity		
30000 · Opening Bal Equity	100	100
32000 · Unrestricted Net Assets	27,929	25,418
Net Income	2,907	2,511
Total Equity	30,937	28,029
TOTAL LIABILITIES & EQUITY	30,937	28,029

Statement of Cash Flows
Year Ended December 31, 2009

	Jan - Dec 09
OPERATING ACTIVITIES	
Net Income	2,907
Net cash provided by Operating Activities	2,907
 Net cash increase for period	2,907
 Cash at beginning of period	28,029
Cash at end of period	30,937

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.