

# SHINING STARS FOUNDATION

FINANCIAL STATEMENTS  
June 30, 2016 and 2015

# COLCLASER & ASSOCIATES

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## Independent Auditors' Report

To the Board of Directors of  
Shining Stars Foundation:

### Report on the Financial Statements

We have audited the accompanying financial statements of Shining Stars Foundation (a nonprofit foundation) which comprise the statement of financial position as of June 30, 2016 and 2015, and the related statements of activities, functional expenses, and cash flows for the years then ended and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

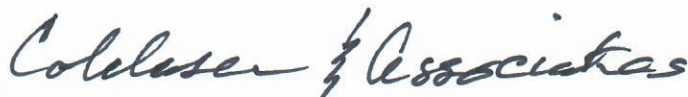
Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shining Stars Foundation as of June 30, 2016 and 2015, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Granby, Colorado  
November 11, 2016

# SHINING STARS FOUNDATION

## STATEMENT OF FINANCIAL POSITION

June 30, 2016 and 2015

### ASSETS

CURRENT ASSETS:	<u>2016</u>	<u>2015</u>
Cash	\$ 335,085	\$ 241,414
Pledges receivable	-0-	6,950
Prepaid expenses	<u>101,025</u>	<u>95,737</u>
Total current assets	<u>436,110</u>	<u>344,101</u>
PROPERTY AND EQUIPMENT:		
Office equipment	47,210	45,507
Program equipment	41,653	41,475
Vehicles	35,065	35,065
Less: Accumulated depreciation	<u>( 107,843)</u>	<u>( 90,384)</u>
Net property and equipment	<u>16,085</u>	<u>31,663</u>
Total assets	<u>\$ 452,195</u>	<u>\$ 375,764</u>

### LIABILITIES AND NET ASSETS

CURRENT LIABILITIES:		
Accounts payable	\$ 80,835	\$ 74,796
Unearned revenue	38,948	58,655
Accrued payroll and other liabilities	<u>9,976</u>	<u>2,098</u>
Total liabilities	<u>129,759</u>	<u>135,549</u>
NET ASSETS:		
Without donor restrictions	<u>322,436</u>	<u>240,215</u>
Total net assets	<u>322,436</u>	<u>240,215</u>
Total liabilities and net assets	<u>\$ 452,195</u>	<u>\$ 375,764</u>

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

# SHINING STARS FOUNDATION

## STATEMENT OF ACTIVITIES For the years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Unrestricted Net Assets:		
Contributions	\$ 751,810	\$ 562,360
In-kind donations	699,473	545,224
Interest income	<u>319</u>	<u>256</u>
Total revenues and support	<u>1,451,602</u>	<u>1,107,840</u>
Expenses:		
Children programs and special events	1,199,752	1,109,672
Fund raising	118,956	-0-
Management and general	<u>50,673</u>	<u>38,651</u>
Total expenses	<u>1,369,381</u>	<u>1,148,323</u>
Increase/(Decrease) in Net Assets Without donor restrictions	<u>82,221</u>	<u>( 40,483)</u>
Increase/(Decrease) in Net Assets	82,221	( 40,483)
Net Assets – beginning of year	240,215	297,338
Prior period adjustment	<u>-0-</u>	<u>( 16,640)</u>
Net Assets – end of year	<u>\$ 322,436</u>	<u>\$ 240,215</u>

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

# SHINING STARS FOUNDATION

## STATEMENT OF FUNCTIONAL EXPENSES

For the years ended June 30, 2016

	Program Services	Fund Raising	Management And General	Total
Activities	\$ 20,474	\$ 72,136		\$ 92,610
Medical support	174,334			174,334
Professional fees		1,125	7,600	8,725
Telephone	7,854		413	8,267
Postage and Shipping	5,014		182	5,207
Printing	3,862	1,137	208	11,951
Licenses and permits	1,874	12,500		14,374
Advertising	75,153	1,500		76,653
Depreciation	8,730		8,729	17,460
Promotional items		9,058		9,058
Repairs			2,979	2,979
Insurance	4,711			4,711
Travel/lodging/meals	304,744			304,744
Dues and subscriptions			3,123	3,123
Occupancy expenses	70,873		3,730	74,603
Awards and trophies	16,288		1,321	17,609
Media/video/photos	16,511			16,511
Ski rental/instructors	301,554			301,554
Storage	2,822			2,822
Staff payroll	130,354	15,000	9,278	154,632
Executive Director	54,600	6,500	3,900	65,000
Bank service charges			9,210	9,210
<hr/>				
Total	\$ 1,199,752	\$ 118,956	\$ 50,673	\$ 1,369,381

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

## SHINING STARS FOUNDATION

### STATEMENT OF FUNCTIONAL EXPENSES For the years ended June 30, 2015

	Program Services	Management and General	Total
Activities	\$ 44,900		\$ 44,900
Medical support	131,702		131,702
Professional fees		7,200	7,200
Telephone	7,183	299	7,482
Postage and Shipping	3,507	127	3,634
Printing	11,473	478	11,951
Licenses and permits	809		809
Advertising	5,986		5,986
Depreciation	9,244	9,243	18,488
Promotional items			
Repairs		2,047	2,047
Insurance	6,507		6,507
Travel/lodging/meals	291,260		291,260
Dues and subscriptions		2,004	2,004
Occupancy expenses	75,096	3,129	78,225
Awards and trophies	16,337	951	17,288
Media/video/photos	19,649		19,649
Ski rental/instructors	274,068		274,068
Storage	2,922		2,922
Staff payroll	146,629	6,110	152,739
Executive Director	62,400	2,600	65,000
Bank service charges		4,420	4,420
Interest expense		43	43
Total	\$ 1,109,672	\$ 38,651	\$ 1,148,323

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

# SHINING STARS FOUNDATION

## STATEMENT OF CASH FLOWS For the years ended June 30, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities:		
Increase/(Decrease) in net assets	\$ 82,221	\$( 40,483)
Adjustments to reconcile changes in net assets to net cash used by operating activities:		
Depreciation	17,460	18,487
Change in Pledges receivable	6,950	( 6,950)
Change in Prepaid expenses	( 5,288)	( 87,737)
Change in Unearned revenue	( 19,707)	58,655
Change in Accounts payable and accruals	<u>15,093</u>	<u>67,863</u>
Net cash provided by operating activities	96,729	9,835
Cash Flows from Investing Activities:		
Purchases of property and equipment	<u>( 3,058)</u>	<u>( 13,294)</u>
Net cash used by investing activities	<u>( 3,058)</u>	<u>( 13,294)</u>
Net increase/(decrease) in cash	93,671	( 3,459)
Cash at beginning of year	<u>241,414</u>	<u>244,873</u>
Cash at end of year	<u>\$ 335,085</u>	<u>\$ 241,414</u>
Non cash transactions:		
In-kind contributions	\$ 699,473	\$ 545,224
In-kind expenses	<u>( 699,473)</u>	<u>( 545,224)</u>
Net non-cash transactions	<u>\$ -0-</u>	<u>\$ -0-</u>

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

**SHINING STARS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016 and 2015

**NOTE 1: NATURE OF ACTIVITIES AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Nature of operations**

Shining Stars Foundation (the Foundation) is a Colorado nonprofit corporation established in 2001 and recognized by the Internal Revenue Service as a 501(c)(3) organization.

**Description of program and support services**

Children programs – The Foundation provides more than 60 events and outreach programs throughout the year for children with cancer and other life threatening illnesses and their families. These programs are provided at no cost to the child, their families or the medical community. The Foundation's biggest events are the Aspen Winter Games Week, the Aspen Summer Program and the Grand County Family Camp, which are held every March, July and August each year respectively. In addition, the Foundation provides community awareness services that educate the public about the challenges faced by children with cancer and their families.

Fund raising – During the year ended June 30, 2016 the Foundation incurred specific fund raising related expenses for the first time. Such expenses amounted to \$118,956 and the related fund raising events raised \$238,075. In prior years the Foundation raised funds from grants, contributions at events and solicitations through its periodic newsletter, but did not incur any specific fund raising costs.

Management and general – This includes the functions necessary to perform the program administration and manage the financial responsibilities of the Foundation.

**Basis of accounting**

The accompanying financial statements have been prepared using the accrual basis of accounting and accordingly reflect all significant receivables, payables and other liabilities of the Foundation at June 30, 2016 and 2015.

**Basis of presentation**

The Foundation has elected early adoption of Accounting Standards Update No. 2016-14, *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*. This update reduces the number of asset classes from three to two. The new classes are *net assets with donor restrictions* and *net assets without donor restrictions*. As a result of this adoption, certain reclassifications have been made to the prior year to conform to the current year presentation.

**Property and equipment**

The Foundation capitalizes all property and equipment with a cost of \$1,000 if purchased, and a fair value of \$1,000 at date of donation if received by contribution. Donations of property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over estimated useful lives ranging from three to five years.



**SHINING STARS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016 and 2015

Grants and contributions

Under SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, contributions received are recorded as without donor restrictions or with donor restrictions depending on the absence or existence and nature of any donor imposed restrictions.

Donated services

Donated services are recognized by the Foundation in accordance with SFAS No. 116, *Accounting for Contributions Received and Contributions Made*, if the services create or enhance non-financial assets, or require specialized skill and are performed by people with those skills and would otherwise be purchased by the Foundation. Volunteers also provided services during the year that are not recognized as contributions in the financial statements, as the recognition criteria under SFAS No. 116 were not met. The Foundation received more than 14,376 and 13,365 volunteer hours during the years ended June 30, 2016 and 2015 respectively.

Income taxes

The Foundation is exempt from income taxes under Section 501(c)(3) Internal Revenue Code.

Cash and cash equivalents

For purposes of the statement of cash flows, the Foundation considers all demand deposits and money market accounts available for current use with an initial maturity of three months or less to be cash equivalents.

The Foundation maintains cash in individual banks and money market mutual funds. The Federal Deposit Insurance Corporation (FDIC) secures interest bearing accounts up to \$250,000 at these institutions. At December 31, 2016 and 2015, no accounts exceeded these insured limits.

Use of estimates

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

Prior period adjustment

A prior period adjustment was made to correct the previous erroneous capitalization of certain computer related costs. The amount of the correction is \$16,640 and reduces previously reported net assets by this amount.

**SHINING STARS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016 and 2015

Evaluation of Management's Review

Management has evaluated subsequent events through November 11, 2016 which is the date the financial statements were available to be issued.

NOTE 2: IN-KIND CONTRIBUTIONS

Donated goods and services are reflected in the accompanying financial statements at their estimated value at the date of receipt. Donated goods and services for programs and events consist of the following:

Activities	\$ 301,553
Lodging, meals and medical support	285,202
Occupancy	21,500
Promotional items	9,058
Advertising and marketing	72,310
Other	<u>2,100</u>
Total in-kind contributions	<u>\$ 699,473</u>

NOTE 3: RELATED PARTY TRANSACTIONS

The Foundation rents administrative office spaces and equipment from a corporation (Gingery & Associates, Inc.) of which the Executive Director is the sole stockholder. The rental agreement specifies that the office spaces and equipment rent will be \$2,000 and \$500 per month for each respectively. The total amount recognized for office space and equipment rental (payments plus in-kind donations) during the years ended June 30, 2016 and 2015 was \$32,600 and \$42,100 respectively.

Members of the Foundation's Board of Directors made in-kind contributions to the Foundation during the year ended June 30, 2016 and 2015 with an approximate value of \$199,884 and \$180,840 respectively.

NOTE 4: ECONOMIC DEPENDENCY

During the years ended June 30, 2016 and 2015, the Foundation received approximately 48% and 50%, respectively, of its revenues from in-kind contributions.

NOTE 5: SUBSEQUENT EVENTS

On July 6, 2016 the Foundation held a fundraising event entitled Wine, Women and Shoes. Approximately \$38,948 of the revenue for this event, in the form of ticket sales and sponsorships was collected prior to June 30, 2016. Similarly, all of the expenses for the event had been incurred or were committed to prior to June 30, 2016. The accompanying Statement of Financial Position reflects these revenues and expenses as Deferred Revenue and Prepaid Expenses, respectively. Following is a summary of the final revenue and expenses of the

**SHINING STARS FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**

June 30, 2016 and 2015

**NOTE 5: SUBSEQUENT EVENTS (CONTINUED)**

event. The difference between Deferred Revenue as shown on the Statement of Financial Position and the revenue shown below represents auction proceeds and other day of the event revenues.

Revenue	\$ 233,233
Expenses	<u>101,025</u>
Net funds raised	<u>\$ 132,208</u>