



# SUNSHINE ON A RANNEY DAY

## FINANCIAL STATEMENTS

For the Year Ended December 31, 2018

(With summarized comparative financial information as of and  
for the year ended December 31, 2017)



**Hostetter & Cowan, LLC**

**Certified Public Accountants**

# SUNSHINE ON A RANNEY DAY

## Financial Statements

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# Hostetter & Cowan, LLC

## Certified Public Accountants

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### INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of  
Sunshine on a Ranney Day Incorporated

We have audited the accompanying financial statements of Sunshine on a Ranney Day Incorporated, (a non-profit organization), which comprise the statement of financial position as of December 31, 2018, and the related statements of activity, functional expenses, and cash flows for the year 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.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit 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 from 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 auditors' 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 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 Sunshine on a Ranney Day Incorporated as of December 31, 2018, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

As discussed in Note 2 to the financial statements, in 2018 Sunshine on a Ranney Day Incorporated adopted new accounting guidance, Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

**Report on Summarized Comparative Information**

We have previously audited Sunshine on a Ranney Day Incorporated's 2017 financial statements, and we have expressed an unmodified audit opinion on those audited financial statements in our report dated November 30, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 is consistent, in all material respects, with the audited financial statements from which it has been derived before the adjustments to adopt ASU 2016-14. As a part of our audit of the 2018 financial statements, we also audited the adjustments described in Note 2 that were applied to adopt ASU 2016-14 retrospectively in the 2017 financial statements. In our opinion, such adjustments are appropriate and have been properly applied.

A handwritten signature in blue ink that reads "Hastetter & Coenen LLC". The signature is written in a cursive, slightly slanted style.

January 24, 2020

# SUNSHINE ON A RANNEY DAY

## STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2018

(with comparative financial information as of December 31, 2017)

	<u>2018</u>	<u>2017</u>
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 268,285	\$ 343,324
Prepaid Expense		3,440
Deposits	<u>2,490</u>	<u>2,490</u>
Total Current Assets	<u>270,775</u>	<u>349,254</u>
Property and equipment		
Property and Equipment	100,674	100,674
Accumulated Depreciation	<u>(71,990)</u>	<u>(56,188)</u>
Total Property and Equipment	<u>28,684</u>	<u>44,486</u>
TOTAL ASSETS	<u>\$ 299,459</u>	<u>\$ 393,740</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable and accrued expenses	<u>\$ 4,629</u>	<u>\$ 30,903</u>
Total Liabilities	<u>4,629</u>	<u>30,903</u>
Net Assets		
Without Donor Restrictions		
Undesignated	294,830	362,837
With Donor Restrictions	<u>0</u>	<u>0</u>
Total Net Assets	<u>294,830</u>	<u>362,837</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 299,459</u>	<u>\$ 393,740</u>

The accompanying notes are an integral part of these statements.

# SUNSHINE ON A RANNEY DAY

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2018

(with summarized comparative financial information for the year ended December 31, 2017)

	2018			2017 Total
	Without Donor Restrictions	With Donor Restrictions	Total	
Public Support and Revenue				
Contributions and Bequests	\$ 708,558	\$ 0	\$ 708,558	\$ 572,976
Non-Governmental Grants	151,569		151,569	89,750
Investment Income	10		10	9
Special events				
Income	477,407		477,407	520,948
Less: Expenses	<u>-141,917</u>	<u>0</u>	<u>-141,917</u>	<u>-108,586</u>
Total support and revenue	<u>1,195,627</u>	<u>0</u>	<u>1,195,627</u>	<u>1,075,097</u>
Expenses				
Program Expenses	1,133,692	0	1,133,692	1,099,103
Administrative Expenses	77,706		77,706	60,811
Fundraising Expenses	<u>52,236</u>	<u>0</u>	<u>52,236</u>	<u>57,646</u>
Total Expenses	<u>1,263,634</u>	<u>0</u>	<u>1,263,634</u>	<u>1,217,560</u>
Increase (Decrease) in Net Assets	-68,007	0	-68,007	-142,463
Net Assets, beginning of year	<u>362,837</u>	<u>0</u>	<u>362,837</u>	<u>505,300</u>
Net Assets, end of year	<u>\$ 294,830</u>	<u>\$ 0</u>	<u>\$ 294,830</u>	<u>\$ 362,837</u>

# SUNSHINE ON A RANNEY DAY

## STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED DECEMBER 31, 2018

(with summarized comparative financial information for the year ended December 31, 2017)

	Program Expense	Supporting Services		2018 Total	2017 Total
		Administrative Expense	Fundraising Expense		
<b>Compensation and Benefits</b>					
Salaries and benefits	\$ 260,152	\$ 44,500	\$ 37,654	\$ 342,306	\$ 326,354
Payroll Taxes	16,726	2,861	2,421	22,008	24,277
Total Compensation and Benefits	<u>276,878</u>	<u>47,361</u>	<u>40,075</u>	<u>364,314</u>	<u>350,631</u>
<b>Other Expense</b>					
Makeover expenses	772,783	1,965		774,748	759,784
Advertising and Promotion	5,019	858	726	6,603	12,073
Depreciation	12,010	2,054	1,738	15,802	17,389
Dues and subscriptions	6,954	1,190	1,006	9,150	22,847
Insurance	13,336	2,281	1,930	17,547	4,839
Miscellaneous	1,908	326	276	2,510	2,404
Occupancy expense	19,173	3,280	2,775	25,228	22,542
Office Expense	11,911	2,037	1,724	15,672	7,739
Professional fees		14,007		14,007	5,269
Repairs and maintenance					337
Telecommunications	6,150	1,052	890	8,092	5,151
Training	3,811	652	552	5,015	
Vehicle expense	3,759	643	544	4,946	6,555
Total Other Expenses	<u>856,814</u>	<u>30,345</u>	<u>12,161</u>	<u>899,320</u>	<u>866,929</u>
Total Functional Expenses	\$ <u>1,133,692</u>	\$ <u>77,706</u>	\$ <u>52,236</u>	\$ <u>1,263,634</u>	\$ <u>1,217,560</u>

The accompanying notes are an integral part of these statements.

# SUNSHINE ON A RANNEY DAY INCORPORATED

## STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2018

(with comparative financial information for the year ended December 31, 2017)

	<u>2018</u>	<u>2017</u>
Cash flows from operating activities:		
(Decrease) in net assets	\$ -68,007	\$ -142,463
Adjustments to reconcile (decrease) in net assets to net cash (used in) operating activities:		
Depreciation	15,802	17,389
Changes in operating assets and liabilities:		
Prepaid expenses	3,440	19,550
Accounts payable and accrued expenses	<u>-26,274</u>	<u>6,124</u>
Net cash (used in) operating activities	<u>-75,039</u>	<u>-99,400</u>
Cash flows from investing activities:		
Purchases of equipment		<u>-3,431</u>
Net cash (used in) investing activities		<u>-3,431</u>
Net decrease in cash and cash equivalents	-75,039	-102,831
Cash and cash equivalents at beginning of year	<u>343,324</u>	<u>446,154</u>
Cash and cash equivalents at end of year	<u>\$ 268,285</u>	<u>\$ 343,323</u>



# SUNSHINE ON A RANNEY DAY INCORPORATED

## NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2018

(With summarized comparative financial information as of and  
for the year ended December 31, 2017)

### **Note 1 – Organization and Purpose**

Sunshine on a Ranney Day Incorporated (SOARD) is a Georgia non-profit organization exempt from taxation under Section 501(c)(3) of the Internal Revenue Code. SOARD provides residential ADA modifications, therapy rooms, and room design for children with long-term illness in the greater Atlanta area. SOARD is supported by contributions from individuals and foundations, non-governmental grants, and fundraising events. Its operations began in 2012. SOARD is governed by a volunteer board of directors.

### **Note 2 - Summary of Significant Accounting Policies**

#### BASIS OF ACCOUNTING AND PRESENTATION

The financial statements of SOARD have been prepared using the accrual basis of accounting in accordance with U.S. generally accepted accounting principles (GAAP). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

#### FINANCIAL STATEMENT PRESENTATION

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, SOARD's net assets and changes therein are classified and reported as follows:

- Without donor restrictions – net assets that are not subject to donor-imposed restrictions or the donor-imposed restrictions have expired.
- With donor restrictions – net assets that are subject to donor-imposed restrictions. These include net assets that are subject to time or purpose restrictions and donor restricted endowments. Assets with time or purpose restrictions are satisfied either by the passage of time or by actions of SOARD.

Revenue is reported as increases in net assets without donor restrictions unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions. If an expense is incurred for a purpose for which net assets with donor restrictions are available, a donor-imposed restriction is fulfilled to the extent of the expense incurred. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net

assets without donor restrictions and reported as release from restrictions in the statement of activities.

#### CONTRIBUTIONS

Contributions, which include unconditional promises to give, are recognized as revenue at fair value when received. Contributions received with donor-imposed conditions are recognized as revenue when the conditions have been substantially met.

#### DONATED EQUIPMENT AND SERVICES

Donated equipment, furniture, and fixtures are reflected as contributions in the accompanying statements at their estimated fair values on the date of receipt. The value of donated services is recorded in the financial statements if the services creates or enhances non-financial assets or requires specialized skills that would typically need to be purchased if not donated. Such donations are reported as increases in net assets without donor restrictions unless explicit donor stipulations specify how the donated assets must be used. Absent explicit donor stipulations about how long those long-lived assets must be maintained, SOARD reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service.

#### FUNCTIONAL EXPENSES

SOARD allocates expenses on a functional basis among its program and supporting services. Expenses that can be identified with a specific program or supporting service are reported accordingly. Other expenses that are common to several functions are allocated by various statistical bases which attribute the cost to functional categories. Statistical bases utilized include square footage occupied and estimated time and effort supporting other functions.

#### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash balances and highly liquid investments with original maturities of three months or less.

#### PROPERTY AND EQUIPMENT

Property and equipment are stated at cost if purchased or fair value on date of contribution. Depreciation is computed on a straight-line basis over the estimated useful lives of the respective assets. The estimated useful lives by asset class are as follows:

Software	3 years
Office Furniture and Equipment	5-7 years
Tools	7 years
Vehicles and Trailers	7 years
Leasehold Improvements	Lesser of the lease or 7 years

## INCOME TAXES

SOARD is exempt from Federal and state income tax under provisions of Section 501(c)(3) of the Internal Revenue Code; therefore, no provision for income taxes has been made in these financial statements. SOARD has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170 (b)(1)(A)(vi).

SOARD's Form 990, Return of Organization Exempt from Income Tax, for the years ending 2015, 2016, 2017, and 2018 are subject to examination by the IRS, generally for three years after they were filed.

## USE OF ESTIMATES

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect certain reported amounts of assets and liabilities and disclosures of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Accordingly, actual results could differ from those estimates.

## PRESENTATION OF CERTAIN PRIOR YEAR INFORMATION

The statements of activities and functional expenses include certain prior year summarized financial information for comparative purposes only. Such information does not include sufficient detail to constitute a presentation in conformity with U.S. GAAP. Accordingly, such information should be read in conjunction with SOARD's financial statements for the year ended December 31, 2017 from which the summarized information was derived.

## NEW ACCOUNTING PRONOUNCEMENTS

During 2018, SOARD adopted Accounting Standards Update (ASU) No. 2016-14, *Not-for-Profit Entities* (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities* (ASU 2016-14). ASU 2016-14 reduces the number of net assets from three to two: net assets without donor restrictions, previously reported as unrestricted net assets, and net assets with donor restrictions, previously reported as temporarily restricted net assets and permanently restricted net assets.

**Note 3 - Property and Equipment**

Property and equipment consisted of the following as of December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Leasehold Improvements	\$ 53,607	\$ 53,607
Office Furniture and Equipment	20,031	20,031
Software	2,690	2,690
Tools	6,876	6,876
Vehicles and Trailers	<u>17,470</u>	<u>17,470</u>
	100,674	100,674
Less: Accumulated Depreciation	<u>-71,990</u>	<u>-56,188</u>
	<u>\$ 28,684</u>	<u>\$ 44,486</u>

**Note 4 – Net Assets with Donor Restrictions**

SOARD had no assets with donor restrictions for 2018.

**Note 5 - Effects of Current Economic Conditions on Contributions**

SOARD depends heavily on contributions and grants for its public support. The ability of certain contributors and grantors of the organization to continue giving amounts comparable with prior years may be dependent upon current and future overall economic conditions. While the board of directors believes the organization has the resources to continue its programs, its ability to do so and the extent to which it continues may be dependent upon the above factors.

**Note 6 - Subsequent Events**

Management considered all events through January 24, 2020, the date the financial statements were available for release, in preparing the financial statements and the related disclosures. Management is not aware of any significant events that occurred subsequent to the balance sheet date, but prior to the filing of this report, that would have a material impact on the audited financial statements.