



SUNSHINE ON A RANNEY DAY

FINANCIAL STATEMENTS

DECEMBER 31, 2016

SUNSHINE ON A RANNEY DAY

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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, 2016, and the related statements of activity, functional expenses, and cash flows for the year then ended, and the related

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, 2016, 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.

Spencer Hostetter LLC
December 4, 2017

SUNSHINE ON A RANNEY DAY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2016

ASSETS

Cash	\$ 446,154
Prepaid expense	13,626
Deposits	2,490
Property and equipment , net	<u>58,445</u>
Total Assets	<u>\$ 520,715</u>

LIABILITIES AND NET ASSETS

Liabilities	
Accounts payable and accrued expenses	\$ 24,778
Notes payable capitalized leases	<u>-</u>
Total Liabilities	<u>24,778</u>
Net assets	
Unrestricted	<u>495,937</u>
Total liabilities and net assets	<u>\$ 520,715</u>

SUNSHINE ON A RANNEY DAY INCORPORATED
STATEMENT OF ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2016

Support and Revenue		
Contributions and bequests		\$ 549,839
Special events		467,408
Investment income		<u>3</u>
Total support and revenue		1,017,250
Expenses		
Program services		672,672
Support Services		
Management and general		49,577
Fundraising		<u>38,977</u>
Total Expenses		<u>761,225</u>
Increase in net assets		256,025
Net assets, beginning of year		<u>239,912</u>
Net assets end of year		<u><u>\$ 495,937</u></u>

SUNSHINE ON A RANNEY DAY INCORPORATED
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2016

	Program Services	Management and General	Fundraising
Makeover expenses	\$ 409,603	\$ -	\$ -
Depreciation	11,869	3,652	2,739
Dues and subscriptions	1,094	197	156
Interest	565	174	130
Insurance	1,259	387	291
Miscellaneous	1,723	530	398
Occupancy expense	18,159	3,268	2,584
Payroll Taxes	13,094	2,356	1,863
Professional fees	11,795	2,123	1,678
Promotion	2,090	643	482
Repairs and maintenance	105	19	15
Salaries and benefits	187,258	33,698	26,641
Supplies	4,915	885	699
Telephone	5,815	1,046	827
Vehicle expense	3,328	599	473
	<u>\$ 672,672</u>	<u>\$ 49,577</u>	<u>\$ 38,977</u>

SUNSHINE ON A RANNEY DAY INCORPORATED
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED DECEMBER 31, 2016

Cash flows from operating activities	\$ 256,025
Increase in net assets	
adjustments to reconcile increase in net assets to net cash	
provided by operations	
Depreciation	18,260
Change in assets and liabilities	
Prepaid expenses	(8,179)
Miscellaneous other assets	
Accounts payable and accrued expenses	18,052
Total adjustments	28,133
Net cash provided by operations	284,158
Cash flows from investing activities	
Purchase of equipment	(6,920)
Cash flows from financing activities	
Reduction of capital lease	(8,210)
Net increase in cash	269,028
Cash, beginning of year	177,126
Cash, end of year	\$ 446,154

SUNSHINE ON A RANNEY DAY INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note A

Summary of Significant Accounting Policies

Nature of Operations:

Sunshine on a Ranney Day Incorporated (SOARD) is a Georgia non-profit corporation that serves the greater Atlanta area. SOARD operates exclusively for charitable purposes with an emphasis on residential ADA modifications, therapy rooms, and room design for children with long-term illness.

The financial statements of Sunshine on a Ranney Day Incorporated have been prepared on the accrual basis of accounting. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

Financial Statement Presentation:

Financial statement presentation is in accordance with accounting standards regarding the reporting of net assets. SOARD is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Temporarily restricted donations whose restrictions are met during the year are presented in the Statement of Activities as unrestricted donations.

Contributions:

SOARD records contributions received as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions.

Donated Materials 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.

SUNSHINE ON A RANNEY DAY INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

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 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.

Federal Income Tax Status:

SOARD has been classified as an exempt organization under the Internal Revenue Code Section 501(c)(3), and as such no provision for income taxes has been provided. The Organization applies the guidance on accounting for uncertain tax provisions is FASB ASC 740 Income Taxes.

SOARD filed its first tax return in 2012. That return and all subsequent tax returns are subject to income tax examination.

SUNSHINE ON A RANNEY DAY INCORPORATED
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2016

Note A

Summary of Significant Accounting Policies

Property and Equipment:

Expenditures for minor additions of equipment are charged to expense when incurred. Expenditures for land, buildings, major improvements, and equipment additions are capitalized and recorded at cost except for donated property and equipment. Donations of property and equipment are recorded as support at their estimated fair values on the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, SOARD reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. SOARD reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Property and equipment are depreciated over the estimated useful lives of the respective assets using the straight-line method.

Office furniture and equipment	5-7 years
Trailer	7 years
Equipment	7 years
Leasehold improvements	Lesser of the lease or 7 years

Functional Expenses:

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activity. Accordingly, certain costs have been allocated among the programs and services benefited.

Note B
Property and Equipment

Property and equipment consist of the following:

Office furniture and equipment	\$	17,425
Trailer		4,453
Leasehold Improvements		53,607
Software		2,690
Vehicles		12,194
Tools		<u>6,875</u>
		97,244
Less: accumulated depreciation		<u>(38,799)</u>
	\$	<u>58,445</u>

Depreciation expense was \$18,260 for the year ended December 31, 2016.

Note C
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 D
Subsequent Events

Management considered all events through December 4, 2017, 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.