

Dear Starlight Supporter,

Starlight Children's Foundation strives to be 100% transparent in all activities, especially our financial statements. We take pride in being a fiscally responsible organization and develop our organizational budgets with great care.

Starlight is proud to have earned a 4-star rating with Charity Navigator for six of the last nine years. Starlight has been a 3 or 4-star charity for the last nine consecutive years.

For your reference, we have provided a list of frequently asked questions to help in understanding the financial data provided in our annual tax return (the Form 990).

For the fiscal year ending March 31, 2009 (FY2009), Starlight experienced a decrease in net assets of approximately \$2.3M. It is important to understand that there are several critical factors that impact the financial results of the organization at this snapshot in time. These factors include the following:

1. Timing of program-restricted donations and their requisite expenditures
2. Depletion of in-kind inventory
3. Activities that are booked on the annual audit but are not booked on the Form 990, as per IRS requirements

After accounting for these mitigating factors, the net unrestricted loss that Starlight experienced in FY2009 was approximately \$440K. This deficit can be attributed to the decrease in unrestricted funding as a result of the downturn in the economy.

The list of frequently asked questions provides further details on the various key financial points of the Form 990. Please feel free to contact us at info@starlight.org or at (310) 479-1212 with any questions or concerns.

Sincerely,

Starlight Children's Foundation