

**SHINE
HUMANITY**

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2012**



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August 1, 2013

To the Board of Directors of
SHINE Humanity

I have audited the accompanying statement of financial position of SHINE Humanity ("Organization") (a nonprofit organization) as of December 31, 2012, and the related statements of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of SHINE Humanity as of December 31, 2012, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

My audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The schedule of functional expenses on page 5 is presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

A handwritten signature in black ink that reads 'Troy Yoshida'.

Troy Yoshida CPA, Inc.
Garden Grove, CA
August 1, 2013

**SHINE HUMANITY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2012**

	<u>Total</u>
ASSETS	
CURRENT ASSETS:	
Cash	\$ 103,896
Other Receivables	<u>175</u>
TOTAL CURRENT ASSETS	104,071
OTHER ASSETS:	
Deposits	<u>535</u>
TOTAL OTHER ASSETS	535
TOTAL ASSETS	<u>\$ 104,606</u>
 LIABILITIES & NET ASSETS	
CURRENT LIABILITIES:	
Payroll Taxes Payable	\$ -
Sales Tax Payable	<u>7</u>
TOTAL CURRENT LIABILITIES	7
NET ASSETS:	
Unrestricted	<u>104,599</u>
TOTAL NET ASSETS	<u>104,599</u>
TOTAL LIABILITIES & NET ASSETS	<u>\$ 104,606</u>

**SHINE HUMANITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Unrestricted</u>
REVENUES AND OTHER SUPPORT	
Contributions	\$ 186,509
Fundraisers	128,925
Interest Income	3
Misc Income	-
TOTAL REVENUES AND OTHER SUPPORT	315,437
 EXPENSES	
Program Expenses	\$ 381,251
Management and General	26,010
Fundraising	41,513
TOTAL EXPENSES	448,774
CHANGE IN NET ASSETS	\$ (133,337)
NET ASSETS AT BEGINNING OF YEAR	\$ 237,936
NET ASSETS AT END OF YEAR	\$ 104,599

**SHINE HUMANITY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2012**

	Program Services	Management and General	Fundraising	Total
Grants	\$ 360,073	\$ -	\$ -	\$ 360,073
Program Expenses	7,985	-	-	7,985
Advertising & Promotion	-	-	250	250
Bank Fees	-	1,067	-	1,067
Computer Expense	-	1,017	-	1,017
Conferences & Meetings	-	-	500	500
Contributions	-	-	-	-
Dues & Subscriptions	-	-	-	-
Fundraising Expenses				
Contracted Services	-	-	500	500
Equipment Rental	-	-	1,503	1,503
Facility Rental	-	-	15,516	15,516
Insurance	-	2,272	-	2,272
Miscellaneous	-	66	-	66
Office Expense	-	59	-	59
Payroll	12,035	12,035	12,035	36,105
Payroll Taxes	985	985	985	2,955
Permits & Fees	-	-	-	-
Postage & Delivery	-	71	711	782
Printing	-	63	1,072	1,135
Professional Fees	173	2,156	173	2,502
Rent	-	1,646	1,646	3,292
Supplies	-	112	914	1,026
Telephone	-	2,193	-	2,193
Travel	-	2,268	5,708	7,976
TOTAL EXPENSES	\$ 381,251	\$ 26,010	\$ 41,513	\$ 448,774

**SHINE HUMANITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2012**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (133,337)
Adjustments to Reconcile Change in Net Assets	
To Net Cash Provided by Operating Activities:	
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in Other Receivables	(175)
Increase (Decrease) in Sales Tax Payable	(39)
Increase (Decrease) in Payroll Taxes Payable	<u>(426)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(133,977)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(133,977)
BEGINNING CASH AND CASH EQUIVALENTS	<u>\$ 237,873</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 103,896</u></u>

SHINE HUMANITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

1. Summary of Significant Accounting Policies

Nature of Organization

SHINE Humanity provides humanitarian, medical and disaster relief assistance to global communities in need, specifically Pakistan; while establishing long term medical solutions. The Organization's support comes entirely from donor contributions.

Basis of Presentation

The Organization follows the provisions of Statement of Financial Accounting Standards ("SFAS") No. 117, *Financial Statements of Not-for-Profit Organizations*. Under SFAS No. 117, the Organization reports amounts in the accompanying financial statements for each of three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets.

Unrestricted Net Assets – Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets generally result from unrestricted contributions and interest and dividends, less expenses incurred in providing services and fundraising and other administrative expenses.

Temporarily Restricted Net Assets – Net assets that are subject to donor-imposed restrictions that require the passage of time or the occurrence of a specific event to become available for unrestricted use. As of December 31, 2012, there were no temporarily restricted net assets.

Permanently Restricted Net Assets – Net assets are subject to donor-imposed restrictions that may be maintained permanently while permitting the Organization to use or expense part or all of the income derived from the donated assets. As of December 31, 2012, there were no permanently restricted net assets.

SHINE HUMANITY
NOTES TO FINANCIAL STATEMENTS
(Continued)
December 31, 2012

1. Summary of Significant Accounting Policies – (Continued)

Basis of Presentation – (continued)

The Organization also follows the provisions of SFAS No. 116, *Accounting for Contributions Received and Contributions Made*. Under SFAS No. 116, the Organization records gifts of cash and other assets as temporarily restricted net assets if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, a stipulated time restriction ends or a purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from donor restrictions. Donor-restricted contributions, whose restrictions are met within the fiscal year, are reported as unrestricted revenues, gains and other support.

Use of Estimates and Assumptions

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. Actual results could differ from those estimates.

Basis of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with the accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

Cash and cash equivalents include all monies in banks and highly liquid investments with maturity dates of less than three months.

SHINE HUMANITY
NOTES TO FINANCIAL STATEMENTS
(Continued)
December 31, 2012

1. Summary of Significant Accounting Policies – (Continued)

Concentration of Credit Risk

The Organization occasionally maintains deposits in excess of federally insured limits. Statement of Financial Accounting Standards No. 105 identifies these items as a concentration of credit risk requiring disclosure, regardless of the degree of risk. The risk is managed by maintaining all deposits in high quality financial institutions.

Revenues and Support

The Organization receives almost all of its revenues from donor contributions and fundraising events.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis in the Statement of Activities and in the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Income Taxes

The Organization is a not-for-profit organization, as described in Section 501(c)(3) of the Internal Revenue Code and corresponding state law. Accordingly, the Organization is exempt from federal and state income taxes. The Organization has taken no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

During 2012, the IRS initiated a routine examination of the Organization for the year ended 12/31/2010. As of the date of this report, the IRS has concluded its examination and determined that there were no changes to be made to its tax exempt status or tax filing.

SHINE HUMANITY
NOTES TO FINANCIAL STATEMENTS
(Continued)
December 31, 2012

2. Cash & Cash Equivalents

The total cash held by the Organization at December 31, 2012 totaled \$103,896 maintained in several accounts. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account.

3. Lease Obligations

The Organization leases office space at a rate of \$562 per month under a twelve month operating lease expiring July 10, 2013. The minimum lease payment due for the year ended December 31, 2013 is \$3,372.

4. Contributed Services

A substantial number of unpaid volunteers have made significant contributions to the different Organization program services. The value of these contributions is not reflected in these statements since they do not meet the criteria for recognition as contributed services.

5. Relationship with CDRS

As of October 19, 2012, the Organization ceased its relationship with Comprehensive Disaster Relief Services ("CDRS"). A significant portion of the Organization's grants were made to CDRS. During the year ended December 31, 2012, the Organization provided grants to CDRS totaling \$307,548.