

**SHINE
HUMANITY**

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2011



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November 27, 2012

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, 2011, 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, 2011, 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
November 27, 2012

**SHINE HUMANITY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2011**

	Total
ASSETS	
CURRENT ASSETS:	
Cash	\$ 237,873
TOTAL CURRENT ASSETS	237,873
OTHER ASSETS:	
Deposits	535
TOTAL OTHER ASSETS	535
TOTAL ASSETS	\$ 238,408
LIABILITIES & NET ASSETS	
CURRENT LIABILITIES:	
Payroll Taxes Payable	\$ 426
Sales Tax Payable	46
TOTAL CURRENT LIABILITIES	472
NET ASSETS:	
Unrestricted	237,936
TOTAL NET ASSETS	237,936
TOTAL LIABILITIES & NET ASSETS	\$ 238,408

**SHINE HUMANITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2011**

	<u>Unrestricted</u>
REVENUES AND OTHER SUPPORT	
Contributions	\$ 389,121
Fundraisers	184,081
Misc Income	1,938
TOTAL REVENUES AND OTHER SUPPORT	575,140
 EXPENSES	
Program Expenses	\$ 547,838
Management and General	50,470
Fundraising	57,610
TOTAL EXPENSES	655,918
 CHANGE IN NET ASSETS	 \$ (80,778)
 NET ASSETS AT BEGINNING OF YEAR	 \$ 318,714
 NET ASSETS AT END OF YEAR	 \$ 237,936

SHINE HUMANITY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2011

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Grants	\$ 487,685	\$ -	\$ -	\$ 487,685
Program Expenses	27,731	-	-	27,731
Advertising & Promotion	-	-	3,765	3,765
Bank Fees	-	2,314	-	2,314
Computer Expense	-	2,483	-	2,483
Conferences & Meetings	-	295	-	295
Contributions	100	-	-	100
Dues & Subscriptions	-	367	-	367
Fundraising Expenses				
Contracted Services	-	-	3,240	3,240
Equipment Rental	-	-	4,790	4,790
Facility Rental	-	-	1,510	1,510
Insurance	-	1,130	-	1,130
Miscellaneous	90	4,695	-	4,785
Office Expense	-	1,808	-	1,808
Payroll	21,752	21,752	21,752	65,256
Payroll Taxes	2,184	2,184	2,184	6,552
Permits & Fees	-	133	-	133
Postage & Delivery	-	1,108	-	1,108
Printing	-	2,023	1,201	3,224
Professional Fees	3,174	2,646	174	5,994
Rent	-	1,546	1,546	3,092
Supplies	-	1,889	7,203	9,092
Telephone	-	2,389	-	2,389
Travel	5,122	1,708	10,245	17,075
TOTAL EXPENSES	<u>\$ 547,838</u>	<u>\$ 50,470</u>	<u>\$ 57,610</u>	<u>\$ 655,918</u>

**SHINE HUMANITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2011**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ (80,778)
Adjustments to Reconcile Change in Net Assets	
To Net Cash Provided by Operating Activities:	
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in Officer Advances	5,770
Increase (Decrease) in Accrued Payroll	(8,000)
Increase (Decrease) in Sales Tax Payable	46
Increase (Decrease) in Payroll Taxes Payable	<u>(2,442)</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(85,404)
 CASH FLOWS FROM INVESTING ACTIVITIES	
Increase in Deposits	<u>(535)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(535)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	(85,939)
BEGINNING CASH AND CASH EQUIVALENTS	<u>\$ 323,812</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 237,873</u></u>

SHINE HUMANITY
NOTES TO FINANCIAL STATEMENTS
December 31, 2011

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, 2011, 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, 2011, there were no permanently restricted net assets.

SHINE HUMANITY
NOTES TO FINANCIAL STATEMENTS
(Continued)
December 31, 2011

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, 2011

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.

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 commenced its examination and made no final determination. In addition, the Organization has no uncertain tax position that qualifies for recognition or disclosure in the financial statements. Therefore, no accrued liability has been recorded.

SHINE HUMANITY
NOTES TO FINANCIAL STATEMENTS
(Continued)
December 31, 2011

2. Cash & Cash Equivalents

The total cash held by the Organization at December 31, 2011 totaled \$237,873 maintained in several accounts. The accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account. As of December 31, 2011 amounts there was no account in excess of the federally insured level.

3. Lease Obligations

The Organization leases office space at a rate of \$535 per month under a six month operating lease expiring January 10, 2012. The lease was extended for an additional six months ending on July 10, 2012 at the same rate of \$535 per month. As a result, the minimum lease payment due for the year ended December 31, 2012 is \$3,210.

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. Subsequent Events

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, 2011, the Organization provided grants to CDRS totaling \$387,606.