

**SHINE
HUMANITY**

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023**



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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Shine Humanity

Opinion

I have audited the accompanying financial statements of Sustainable Healthcare Initiatives Now Empowering Humanity ("Shine Humanity") (a nonprofit organization) which comprise the statement of financial position as of December 31, 2023, and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

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, 2023, 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.

Basis for Opinion

I conducted my audit in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Shine Humanity and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Responsibilities of Management 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; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Shine Humanity's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



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To the Board of Directors of
Shine Humanity

In performing an audit in accordance with generally accepted auditing standards, I:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Shine Humanity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Shine Humanity's ability to continue as a going concern for a reasonable period of time.

I am required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that I identified during the audit.

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

Troy Yoshida CPA, Inc.
Cypress, CA
September 1, 2024

**SHINE HUMANITY
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2023**

	Total
ASSETS	
CURRENT ASSETS:	
Cash	\$ 1,077,465
Investments	145,166
Prepaid Expense	7,505
TOTAL CURRENT ASSETS	1,230,136
TOTAL ASSETS	\$ 1,230,136
 LIABILITIES & NET ASSETS	
CURRENT LIABILITIES:	
Accounts Payable	\$ 1,825
TOTAL CURRENT LIABILITIES	1,825
NET ASSETS:	
Without donor restrictions	1,050,971
With donor restrictions	177,340
TOTAL NET ASSETS	1,228,311
TOTAL LIABILITIES & NET ASSETS	\$ 1,230,136

**SHINE HUMANITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Without donor restrictions	With donor restrictions	Total
REVENUES AND OTHER SUPPORT			
Contributions	\$ 411,598	160,350	571,948
Fundraisers	294,379	-	294,379
Interest Income	2,629	3	2,632
Unrealized Gain/Loss	11,416	-	11,416
Net Assets Released from Restriction	228,634	(228,634)	-
TOTAL REVENUES AND OTHER SUPPORT	<u>948,656</u>	<u>(68,281)</u>	<u>880,375</u>
 EXPENSES			
Program Expenses	\$ 500,169	-	500,169
Management and General	50,612	-	50,612
Fundraising	69,372	-	69,372
TOTAL EXPENSES	<u>620,153</u>	<u>-</u>	<u>620,153</u>
 CHANGE IN NET ASSETS	 \$ 328,503	 \$ (68,281)	 \$ 260,222
 NET ASSETS AT BEGINNING OF YEAR	 <u>\$ 722,468</u>	 <u>245,621</u>	 <u>968,089</u>
 NET ASSETS AT END OF YEAR	 <u><u>\$ 1,050,971</u></u>	 <u><u>\$ 177,340</u></u>	 <u><u>\$ 1,228,311</u></u>

**SHINE HUMANITY
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

	Program Services	Management and General	Fundraising	Total
Grants	\$ 472,907	\$ -	\$ -	\$ 472,907
Program Expenses	1,575	-	-	1,575
Advertising & Promotion	-	1,935	-	1,935
Bank Fees	-	6,190	-	6,190
Computer Expense	-	2,730	-	2,730
Continuing Education	-	1,115	-	1,115
Dues & Subscriptions	-	119	-	119
Fundraising Expenses				
Contracted Services	-	-	3,200	3,200
Equipment Rental	-	-	705	705
Facility Rental & Expense	-	-	33,851	33,851
Insurance	-	3,511	-	3,511
Meals & Entertainment	-	133	-	133
Office Expense	-	1,372	-	1,372
Payroll	23,775	23,775	23,775	71,325
Payroll Taxes	1,903	1,903	1,902	5,708
Permits & Fees	-	54	-	54
Postage & Delivery	-	1,195	-	1,195
Printing	-	-	2,172	2,172
Professional Fees	-	4,920	-	4,920
Supplies	-	1,097	-	1,097
Telephone	-	563	-	563
Travel	9	-	3,767	3,776
TOTAL EXPENSES	\$ 500,169	\$ 50,612	\$ 69,372	\$ 620,153

**SHINE HUMANITY
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023**

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in Net Assets	\$ 260,222
Adjustments to Reconcile Change in Net Assets	
To Net Cash Provided by Operating Activities:	
Changes in Operating Assets and Liabilities:	
(Increase) Decrease in Prepaid Expense	(805)
Increase (Decrease) in Accounts Payable	<u>1,342</u>
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	260,759
 CASH FLOWS FROM INVESTING ACTIVITIES	
Change in Investments	<u>(145,166)</u>
NET CASH PROVIDED (USED) BY INVESTING ACTIVITIES	(145,166)
NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS	115,593
BEGINNING CASH AND CASH EQUIVALENTS	<u>\$ 961,872</u>
ENDING CASH AND CASH EQUIVALENTS	<u><u>\$ 1,077,465</u></u>

SHINE HUMANITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023

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

Net assets and revenue, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Without donor restrictions – Net assets that are not subject to donor-imposed stipulations.

With donor restrictions – Net assets subject to donor-imposed stipulations that may or will be met either by actions of the Organization and/or the passage of time. This also includes net assets subject to donor-imposed stipulations that must be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

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
DECEMBER 31, 2023

1. Summary of Significant Accounting Policies – (Continued)

Concentration of Credit Risk

The Organization occasionally maintains deposits in excess of federally insured limits. The risk is managed by maintaining all deposits in high quality financial institutions.

Revenue Recognition

The Organization receives a significant majority of its revenues from donor contributions and fundraising events and is recognized on the accrual basis of accounting. Contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are designated for future periods or restricted by the donor for specific purposes are reported as support with donor restrictions that increases that net asset class.

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 Functional Expenses. Costs have been allocated among the programs and supporting services benefited. Payroll and payroll taxes have been allocated equally between each functional category. Other costs are classified in each functional category based on the underlying purpose of each transaction.

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.

Subsequent Events

In preparing these financial statements, the Organization continues to evaluate events and transactions for potential recognition or disclosure through September 1, 2024 the date on which the financial statements were available to be issued.

**SHINE HUMANITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

2. Cash & Cash Equivalents

The total cash held by the Organization at December 31, 2023 totaled \$1,077,465 maintained in several accounts. The bank accounts are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 per account.

3. Investments

Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC), *Fair Value Measurements*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements).

The three levels of fair value hierarchy under FASB ASC, *Fair Value Measurements* are described as follows:

- Level 1 - Observable inputs that reflect quoted prices for identical assets or liabilities in active markets such as stock quotes.
- Level 2 - Includes inputs other than level 1 inputs that are directly or indirectly observable in the marketplace such as yield curves or other market data. The Organization does not hold any level 2 financial instruments.
- Level 3 - Unobservable inputs supported by little or no market data and require significant judgment or estimation. The Organization does not hold any level 3 financial instruments.

Fair value methods and assumptions on investments consisting of common stock, preferred stock, mutual funds and bond funds are based on the Level 1 market approach. The following table present the Organization's fair value hierarchy for those assets and liabilities measured at fair value on a recurring basis at December 31, 2023:

	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
Mutual Funds/ETF's	\$ 145,166	\$ 145,166	\$ -	\$ -
Investments carried at fair value	\$ 145,166	\$ 145,166	\$ -	\$ -

**SHINE HUMANITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

3. Investments (Continued)

The following schedule summarizes the investment return on cash equivalents and investments for the year ended December 31, 2023:

Interest and Dividends	\$ 2,632
Unrealized Gains/(Losses)	<u>11,416</u>
Total Investment Return	<u>\$ 14,048</u>

4. Liquidity and Availability

Financial assets held by the Organization at December 31, 2023 and the amounts of those financial assets that could be made available for general expenditures within one year of the date of the statement of financial position are summarized as follows:

Financial Assets at Year End:	
Cash	\$ 1,077,465
Total Financial Assets at Year End	<u>1,077,465</u>
Less Amounts Not Available to Be Used Within	
One Year:	
Net Assets with Donor Restriction	<u>(177,340)</u>
Financial Assets Available to Meet General	
Expenditures Within One Year	<u>\$ 900,125</u>

The Organization regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Organization has endowment funds of \$30,223 as of December 31, 2023. See Note 7 below for authorized uses of its endowment funds.

4. Contributed Services

A 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.

**SHINE HUMANITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2023**

5. Net Assets with Donor Restrictions

Net Assets with donor restrictions are available for the following purposes at December 31, 2023:

Paani Project	\$ 57,145
Endowment Fund	30,223
Childhood Malnutrition	13,500
Solar Panels	6,620
Hot Meals	5,000
MUC Mobile Urgent Care	17,700
Sujawal Clinic	22,285
Zia Abbas Clinic	<u>24,867</u>
Total	<u>\$177,340</u>

6. Endowment Fund

The Organization's endowment fund was established in December 2019 and currently consists of cash. All endowment funds are donor restricted.

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Endowment Net Assets, December 31, 2022	-	29,220	29,220
Contributions	-	1,000	1,000
Investment Return	-	3	3
Appropriation of Endowment Assets for Expenditure	-	-	-
Endowment Net Assets, December 31, 2023	-	30,223	30,223

The endowment fund was established to fund future program expenses provided by the Organization. The fund's objective is to invest primarily in mutual funds and exchange traded funds but may also invest up to 20% in publicly traded securities. Once the fund reaches \$100,000, up to 5% of the year end balance may be used to fund operations in the following year. The Board may authorize use of additional funds under extraordinarily adverse financial conditions, where the Organization's operating cash is below two months average operating expense. It is the intention to maintain the endowment fund in perpetuity, but in the event of unforeseen circumstances, the Board may terminate the fund by majority vote, and all funds will be consolidated into the operating accounts.