

**THE SHEPHERD & MOTHER OF LIGHT
FOR THE NEEDY
D/B/A CARE 4 NEEDY COPTS**

**FINANCIAL STATEMENTS
AS OF AND FOR THE YEARS ENDED
DECEMBER 31, 2012 AND 2011**



A. F. Paredes & Co.
Certified Public Accountants

**THE SHEPHERD & MOTHER OF LIGHT FOR THE NEEDY
D/B/A CARE 4 NEEDY COPTS**

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Shepherd & Mother of Light for the Needy
d/b/a Care 4 Needy Copts

We have audited the accompanying financial statements of **The Shepherd & Mother of Light for the Needy d/b/a Care 4 Needy Copts** (not-for-profit organization) which comprise the statement of financial position as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years then ended.

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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness 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 financial statement presentation.

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 **The Shepherd & Mother of Light for the Needy d/b/a Care 4 Needy Copts** as of December 31, 2012 and 2011, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

The schedules of functional expenses are presented for purposes of additional analysis and are not required part of the basic financial statements. Such information had been subjected to auditing procedures applied in the audits of the basic financial statements and, in our opinion, are fairly stated in all material aspects in relation to the basic financial statements taken as a whole.

B. F. Paredes & Co. CPAs, LLP

August 9, 2013

THE SHEPHERD & MOTHER OF LIGHT FOR THE NEEDY
D/B/A CARE 4 NEEDY COPTS
Statements of Financial Position
December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
ASSETS		
Cash and Cash Equivalents (Note 3)	\$ 349,329	\$ 121,141
Prepaid expenses	<u>1,993</u>	<u>-</u>
TOTAL ASSETS	<u><u>\$ 351,322</u></u>	<u><u>\$ 121,141</u></u>
 LIABILITIES AND NET ASSETS		
LIABILITIES		
Accrued expenses (Note 4)	\$ 7,048	\$ 9,750
Grants payable (Note 5)	<u>175,000</u>	<u>-</u>
	<u>182,048</u>	<u>9,750</u>
Commitments and contingencies (Note 13)		
NET ASSETS		
Unrestricted	<u>169,274</u>	<u>111,391</u>
Total net assets	<u>169,274</u>	<u>111,391</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 351,322</u></u>	<u><u>\$ 121,141</u></u>

See accompanying notes to financial statements.

THE SHEPHERD & MOTHER OF LIGHT FOR THE NEEDY
D/B/A CARE 4 NEEDY COPTS
Statements of Activities
For the years ended December 31, 2012 and 2011

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2012</u>	<u>2011</u>
Revenues				
Contributions:				
Foundations and business organizations	\$ 81,677	\$ 90,000	\$ 171,677	\$ 156,115
Individuals	836,239	8,500	844,739	899,931
Fundraising	98,315		98,315	
In-kind donations (Note 7 and 8)	91,990		91,990	-
Other income	95	-	95	48
Net assets released from restrictions				
Satisfaction of program restriction by payments	98,500	(98,500)	-	
Total Revenues	<u>1,206,816</u>	<u>-</u>	<u>1,206,816</u>	<u>1,056,094</u>
Expenses				
Program Services	970,754		970,754	961,656
Supporting Services:				
Management and general	109,517	-	109,517	21,681
Fundraising	68,662	-	68,662	33,299
Total Expenses	<u>1,148,933</u>	<u>-</u>	<u>1,148,933</u>	<u>1,016,636</u>
Increase in net assets	57,883	-	57,883	39,458
Net assets at beginning of year	<u>111,391</u>	<u>-</u>	<u>111,391</u>	<u>71,933</u>
Net assets at end of year	<u>\$ 169,274</u>	<u>\$ -</u>	<u>\$ 169,274</u>	<u>\$ 111,391</u>

See accompanying notes to financial statements.

THE SHEPHERD & MOTHER OF LIGHT FOR THE NEEDY
D/B/A CARE 4 NEEDY COPTS
Statements of Cash Flows
For the years ended December 31, 2012 and 2011

	<u>2012</u>	<u>2011</u>
Cash flows from operating activities:		
Increase in net assets	\$ 57,883	\$ 39,458
Adjustment to reconcile increase in net assets to net cash provided by operating activities:		
Increase in Prepaid expense	(1,993)	-
Decrease in Accrued expenses	(2,702)	(3,160)
Increase in Grants payable	175,000	-
Net cash provided by operating activities	<u>228,188</u>	<u>36,298</u>
 Cash at beginning of year	 <u>121,141</u>	 <u>84,843</u>
 Cash at end of year	 <u>\$ 349,329</u>	 <u>\$ 121,141</u>

See accompanying notes to financial statements.

THE SHEPHERD & MOTHER OF LIGHT FOR THE NEEDY
D/B/A CARE 4 NEEDY COPTS
Notes to Financial Statements
December 31, 2012 and 2011

1. Organization

The Shepherd & Mother of Light for the Needy (the "Organization") was incorporated as a not-for-profit corporation under the laws of the State of New York on September 4, 2007. The Organization promotes and supports charitable activities, funding an organization dedicated to the aid and assistance of Copts in Egypt.

2. Summary of Significant Accounting Policies

Basis of Presentation

The Organization prepares its financial statements have been prepared on the accrual basis of accounting.

The Organization is required to report information regarding its financial position and activities according to the three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. In addition, the Organization is required to present a statement of cash flows.

Revenues are reported as increases in unrestricted net assets unless their use is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.

Restricted and Unrestricted Revenue

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of any donor restrictions. Support that is restricted by the donor is reported as an increase in unrestricted net assets if the restriction expires within the reporting period in which the support is recognized. When a restriction expires, (that is, when a stipulated time restriction ends or 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 restrictions.

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Notes to Financial Statements
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2. Summary of significant accounting policies (continued)

Donated Services

Donated services are reflected as contributions in the accompanying statements at their estimated values with an offsetting charge to expense. Only those services for which there is an objective basis of valuation are reflected in the financial statements. Volunteers' time assisting the Organization in its daily operations was not reflected in the financial statements because the value of the services is not susceptible to objective measurement or valuation.

Donated Facility

Donated facilities are reflected as contributions in the accompanying statements at their estimated values with an offsetting charge to expense. Only those facilities for which there is an objective basis of valuation are reflected in the financial statements.

Cash and Cash Equivalents

The Organization considers all unrestricted highly-liquid investments with maturities of three months or less at the date of purchase to be cash equivalents.

Fair Value Measurements

The Organization reports a fair value measurement for all applicable assets and liabilities.

Income Taxes

The Company was incorporated in the State of New York and is exempt from Federal income taxes under Section 501 (c) (3) of the Internal Revenue Code and therefore, has made no provision for income taxes in the accompanying financial statements.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

THE SHEPHERD & MOTHER OF LIGHT FOR THE NEEDY
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Notes to Financial Statements
December 31, 2012 and 2011

3. Cash and Cash Equivalents

Cash and cash equivalent accounts of the Organization consisted of the following:

	<u>2012</u>	<u>2011</u>
Cash in Bank:		
<i>HSBC Bank</i>		
534 Broadhollow Road, Melville, NY 11747		
Business Checking Acct No. xxx-15772-9	\$268,603	\$80,738
Business Checking Acct No. xxx-68460-5	80,101	40,028
Petty Cash Fund	<u>625</u>	<u>375</u>
Total	<u>\$349,238</u>	<u>\$121,141</u>

4. Accrued Expenses

Accrued expenses consist of the following:

	<u>2012</u>	<u>2011</u>
Professional fees	\$7,000	\$ 9,750
Disability payable	<u>48</u>	
Total	<u>\$7,048</u>	<u>\$ 9,750</u>

Subsequent to December 31, 2012, \$3,548 has been paid.

5. Grants Payable

The grants payable consist of the following:

	<u>2012</u>	<u>2011</u>
Grants payable	<u>\$175,000</u>	<u>\$ -</u>

The total amount outstanding as of December 31, 2012 was subsequently remitted to Oskofiat El Khadamat El Amma in Cairo, Egypt.

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Notes to Financial Statements
December 31, 2012 and 2011

6. Revenues

The Organization receives contributions and donations from various private corporations and individuals, and fundraising events.

7. Donated Services

Members of the Board of Directors of the Organization are business and accounting professionals and from time to time in the capacity of consultants provide advice on general operating matters and fundraising events which have a total value of \$70,150. All of the Organization's directors serve without compensation, and most directors have specialized expertise that makes their advice valuable to the Organization. The estimated value of the donated services was reflected in the accompanying financial statements as in-kind donations with the same amount included in in-kind professional fees.

8. Donated Facility

The Organization was allowed free use of an office space including utilities which have a total value of \$19,800 for the year ended December 31, 2012. The estimated value of the free use of donated office space and utilities was reflected in the accompanying financial statements as in-kind donations with the same amount included in in-kind rent and utilities.

9. Grant Funding

The Shepherd & Mother of Light for the Needy d/b/a Care 4 Needy Copts (C4NC) exclusively serves individuals who are living under poverty line. C4NC provides funding to the field volunteers in Egypt, the members of The Shepherd and Mother of Light. The services provided by C4NC include financial support, education and child development, health care, employment, construction and other seasonal services such as provision of clothing and food for major holidays.

For the years ended December 31, 2012 and 2011, fundings were made through Oskofiat El Khadamat El Amma in Cairo, Egypt for the benefit of The Shepherd & Mother of Light for the Needy, Cairo, Egypt amounting to \$861,000 and \$925,000, respectively.

10. Concentration of Credit Risk

Financial instruments that potentially subject the Organization to a concentration of credit risk consist primarily of cash and cash equivalents in financial institution, which, from time to time may exceed the Federal Deposit Insurance Corporation ("FDIC") limit of \$250,000. The Organization has uninsured cash balance at December 31, 2012 totaling \$98,613.

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Notes to Financial Statements
December 31, 2012 and 2011

11. Related Party Transactions

For the years ended December 31, 2012 and 2011, the officers of the Organization made an unconditional contribution totaling \$15,472 and \$14,525, respectively, to the Organization. The amount is included in Contributions – Individuals in the Statement of Activities.

13. Commitments and Contingencies

There were no outstanding commitments and contingencies as of December 31, 2012 and 2011.

14. Income Tax Uncertainties

The Organization has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2009 and subsequent remain subject to examination by applicable taxing authorities.

15. Subsequent Events

For purpose of determining the effects of subsequent events on these financial statements, management has evaluated events subsequent to December 31, 2012 and through August 9, 2013, the date when the financial statements were issued.

THE SHEPHERD & MOTHER OF LIGHT FOR THE NEEDY
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SCHEDULES OF FUNCTIONAL EXPENSES
For the years ended December 31, 2012 and 2011

	Program Services	Supporting Services		Total 2012	2011
		Management	Fundraising		
Grant expense (Note 9)	\$ 861,000			\$ 861,000	\$ 925,000
Fundraising expenses			\$ 66,492	66,492	20,228
Salaries and wages	27,570	\$ 30,485		58,055	
Payroll taxes	2,490	2,807		5,297	
Printing and copying	11,725			11,725	10,190
Professional fees		13,740		13,740	34,752
In-kind professional fees (Note 7)	35,200	34,950		70,150	
Freight and shipping	3,300			3,300	
Website and newsletter services	9,675			9,675	3,569
Telephone and communications	2,448			2,448	2,685
In-kind rent and utilities (Note 8)		19,800		19,800	
Postage and mailing	7,622			7,622	5,785
Office supplies		5,128		5,128	4,612
Travel			130	130	
In-kind travel			2,040	2,040	
Bank and other fees	9,724	778		10,502	9,815
Miscellaneous		1,829		1,829	
Total	\$ 970,754	\$ 109,517	\$ 68,662	\$ 1,148,933	\$ 1,016,636

See accompanying notes to financial statements.