

CAREGIVING WORLDWIDE INC.

ALPHARETTA, GEORGIA

**REPORT ON AUDIT OF
FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED
DECEMBER 31, 2013**

CAREGIVING WORLDWIDE INC.
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DECEMBER 31, 2013

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Jones and Kolb
Certified Public Accountants
Atlanta, Georgia

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
CareGiving Worldwide Inc.
Alpharetta, Georgia

We have audited the accompanying financial statements of CareGiving Worldwide Inc. (the "Organization"), which comprise the statement of assets and net assets – cash basis as of December 31, 2013, and the related statements of revenue, expenses and net assets – cash basis, and functional expenses – cash basis for the year then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance the cash basis of accounting as described in Note 1; this includes determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 presentation of the financial statements.

We believe that the audit evidence we 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 assets and net assets of CareGiving Worldwide Inc. as of December 31, 2013, and its revenue and expenses for the year then ended, on the basis of accounting described in Note 1.

Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

A handwritten signature in cursive script that reads "Jones and Kalb".

November 17, 2014

CAREGIVING WORLDWIDE INC.
STATEMENT OF ASSETS AND NET ASSETS – CASH BASIS
DECEMBER 31, 2013

ASSETS

CURRENT ASSET

Cash	<u>\$ 183,047</u>
Total current asset	<u>183,047</u>
Total assets	<u><u>\$ 183,047</u></u>

NET ASSETS

NET ASSETS UNRESTRICTED	<u>\$ 183,047</u>
Total net assets	<u><u>\$ 183,047</u></u>

The accompanying notes to financial statements
are an integral part of this statement.

CAREGIVING WORLDWIDE INC.
STATEMENT OF REVENUE, EXPENSES AND NET ASSETS – CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

CHANGE IN UNRESTRICTED NET ASSETS

SUPPORT AND REVENUE

Contributions	\$ 1,534,670
Fundraising events	78,197
Merchandise sales	21,930
Interest income	83

Total support and revenue 1,634,880

EXPENSES

Program services	1,385,867
Management and general	120,850
Fundraising	40,528

Total expenses 1,547,245

Change in unrestricted net assets 87,635

NET ASSETS

Beginning of year 95,412

NET ASSETS

End of year \$ 183,047

The accompanying notes to financial statements
are an integral part of this statement.

CAREGIVING WORLDWIDE INC.
STATEMENT OF FUNCTIONAL EXPENSES – CASH BASIS
FOR THE YEAR ENDED DECEMBER 31, 2013

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Veterinarian care	\$ 1,078,507	\$ -	\$ -	\$ 1,078,507
Transfer to AAUPR, Inc. (Note 1A)	150,000	-	-	150,000
Boarding, training and transports	74,496	-	-	74,496
Settlement (Note 2)	-	42,577	-	42,577
Fundraising	-	-	40,528	40,528
Merchandise costs	-	36,357	-	36,357
Information technology	26,661	-	-	26,661
Contract services	22,300	-	-	22,300
Pet food and supplies	21,150	-	-	21,150
Insurance and legal	-	16,414	-	16,414
Office supplies	-	12,212	-	12,212
Foster reimbursements	11,088	-	-	11,088
Other	-	6,235	-	6,235
Taxes and licenses	-	4,535	-	4,535
Shelter pull charges	1,665	-	-	1,665
Bank charges	-	1,596	-	1,596
Depreciation	-	924	-	924
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total	<u>\$ 1,385,867</u>	<u>\$ 120,850</u>	<u>\$ 40,528</u>	<u>\$ 1,547,245</u>

The accompanying notes to financial statements
are an integral part of this statement.

CAREGIVING WORLDWIDE INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2003

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. CareGiving Worldwide Inc. (the "Organization") is a not-for-profit organization committed to animal welfare and improving the environment through research and technology. The organization has operated an animal rescue program under the registered trade name of Angels Among Us Pet Rescue ("AAUPR") since 2009. AAUPR is a volunteer-based organization dedicated to rescuing dogs and cats from high-kill shelters in Georgia. The Organization is a publicly-supported tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code.

On December 31, 2013, CareGiving Worldwide, Inc. began operating as the fiscal sponsor for AAUPR and transferred \$150,000 to AAUPR to enable the rescue program to begin operating independently. AAUPR received a tax exempt determination letter in March 2014, and CareGiving Worldwide ceased functioning as the fiscal sponsor for AAUPR in April 2014.

B. The Organization's policy is to prepare its financial statements on the cash basis of accounting; consequently, certain revenues are recognized when received rather than when earned and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred. Qualified in-kind donations are recorded as revenue and expenses in the cash basis financial statements.

C. The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

D. A substantial number of volunteer hours have been donated by individuals in the Organization's program services and, to a lesser extent, its fundraising campaigns and administration. Under the cash basis of accounting, only donations of services that create or enhance nonfinancial assets, or require specialized skills that would otherwise typically be purchased, are recorded as support and revenue and expenses.

E. The costs of providing the Organization's various programs, management and general services and fundraising activities have been summarized on a functional basis in the Statement of Revenue, Expenses and Net Assets – Cash Basis. Accordingly, certain costs have been allocated among the programs and management and general services benefited.

F. The Organization is exempt from Federal and state income taxes under the provisions of Section 501(c)(3) of the Internal Revenue Code (the "IRC") as a publicly supported organization. However, the Organization is subject under IRC Section 511(a) to income taxes on unrelated business income. The Organization had no tax liability as of December 31, 2013. The Organization has evaluated all tax positions taken on its tax returns and believes that all positions are more likely-than-not to be sustained upon examination. Currently, tax years prior to 2010 are

CAREGIVING WORLDWIDE INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2013

no longer open and subject to examination by the Internal Revenue Service. However, the Organization is not currently under audit nor has it been contacted by the Internal Revenue Service.

G. Subsequent events have been evaluated by management through November 17, 2014 the date these financial statements were available to be issued.

2. SETTLEMENT

During 2013, CareGiving Worldwide, Inc. came to a settlement agreement and mutual release regarding a disagreement that did not involve its pet rescue operations. The Company transferred equipment and technology improvements with a net book value of \$42,577 to a third party to satisfy all claims. This amount is included in Statement of Functional Expenses – Cash Basis.