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INDEPENDENT AUDITOR'S REPORT

To: Working Animals Giving Service For Kids, Inc.
Berea, Ohio

I have audited the accompanying financial statements of Working Animals Giving Service For Kids, Inc. (a nonprofit organization), which comprise the statement of assets, liabilities, and net assets – cash basis as of December 31, 2012, and the related statements of support, revenues, expenses and cash flows – 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 with the cash basis of accounting as described in Note A; 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

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 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, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the assets, liabilities, and net assets of WAGS, Inc. as of December 31, 2012, and its support, revenue, and expenses for the year then ended in accordance with the cash basis of accounting as described in Note A.

Basis of Accounting

We draw attention to Note A 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. My opinion is not modified with respect to that matter.

W J M Muehlhauser

North Royalton, Ohio
May 24, 2013

WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.
Statement of Assets and Net Assets
December 31, 2012

ASSETS

CURRENT ASSETS		
Cash - Checking	$ 15,572	
- Savings	75,464	$ 91,036
TOTAL ASSETS		$ 91,036

NET ASSETS

NET ASSETS	
Unrestricted	$ 91,036
TOTAL NET ASSETS	$ 91,036

See Accountant's Report

WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.
Statement of Support, Revenues and Expenses
Year Ended December 31, 2012

UNRESTRICTED SUPPORT AND REVENUES	
Donations	$ 29,503
Special Events	38,939
Miscellaneous Income	11
Interest Income	122
Total Support and Revenues	68,575
EXPENSES	
Program Services	48,978
Management and General	14,803
Fundraising	15,493
Total Expenses	79,274
Change in Net Assets	(10,699)
Net Assets - Beginning of Year	101,735
Net Assets - End of Year	$ 91,036

See Accountant's Report

WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.
Statement of Functional Expenses
Year Ended December 31, 2012

	PROGRAM SERVICES	MANAGEMENT AND GENERAL	FUND RAISING	TOTALS
Wages	$ 21,600	$ 7,200	$ 7,200	$ 36,000
Subcontract Services	9,360	1,320	1,320	12,000
Pet Supplies and Accessories	7,141	0	0	7,141
Puppies	6,700	0	0	6,700
Veterinarian	2,050	0	0	2,050
Taxes	1,400	466	466	2,332
Advertising	0	916	0	916
Office Supplies	0	1,302	0	1,302
Telephone	0	1,158	0	1,158
Travel	691	0	0	691
Miscellaneous Expense	0	722	0	722
Postage and Delivery	0	284	0	284
Professional Fees	0	1,035	0	1,035
Licenses and Permits	36	400	0	436
Fundraising Expenses	0	0	6,507	6,507
TOTAL EXPENSES	$ 48,978	$ 14,803	$ 15,493	$ 79,274

See Accountant's Report

WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.
Statement of Cash Flows
Year Ended December 31, 2012

CASH FLOWS FROM OPERATING ACTIVITIES	
Decrease in Net Assets	$ (10,699)
Net Cash Used By Operating Activites	(10,699)
Cash Flows From Investing Activities	0
Net Cash Provided By Financing Activities	0
NET DECREASE IN CASH AND CASH EQUIVALENTS	(10,699)
CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD	101,735
CASH AND CASH EQUIVALENTS AT END OF PERIOD	$ 91,036
Fees Paid	$ 100
Interest Paid	$ 0

See Accountant's Report

WORKING ANIMALS GIVING SERVICE FOR KIDS, INC.
Notes to Financial Statements
December 31, 2012

NOTE A - SUMMARY OF SIGNIFICANT POLICIES

This summary of significant accounting policies of Working Animals Giving Service For Kids, Inc. is presented to assist in understanding the Company's financial statements. The financial statements and notes are representations of the Company's management who is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

NATURE OF OPERATIONS

The Company began operations in 2006 for the purpose of providing free mobility service and skilled companion animals to children with disabilities in northeast Ohio.

INCOME TAXES

The Company is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code, effective August 25, 2006, and is treated as a public charity.

CASH AND CASH EQUIVALENTS

For purposes of the statement of cash flows, the Company considers all highly liquid investments available for current use with an initial maturity of three months or less to be cash equivalents.

METHOD OF ACCOUNTING

The Company uses the cash basis of accounting, which is a departure from generally accepted accounting principles. Income is recognized when it is received rather than when earned and expenses are recognized when paid rather than when incurred.

NOTE B – CONCENTRATIONS

The majority of the Company's revenue is received from donations and special events.

NOTE C – DONATED SERVICES

Contributions of donated non-cash assets are recorded at their values in the period received. Contributions of donated services that create or enhance non-financial assets, or that require special skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donations, are recorded at their fair value in the period received.

NOTE D – CONTRIBUTIONS AND RESTRICTIONS

The organization reports information about its financial position and activities in three classes of net assets: unrestricted, temporarily restricted, and permanently restricted. Contributions are recognized as unrestricted or temporarily restricted when received, depending on the existence and nature of donor restrictions. When restrictions are satisfied, revenues are reclassified and reported as net assets released from restrictions. If the restriction is satisfied in the same period the contribution is received, the contribution is reported as unrestricted.

NOTE E – SUBSEQUENT EVENTS

The organization evaluates events and transactions occurring subsequent to the date of the financial statements. The accompanying financial statements consider events through May 24, 2013, the date which the financial statements were available to be issued.