

PETS FOR PATRIOTS, INC.
(A nonprofit organization)

FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

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RIFKIN & LUBCHER, LLP

CERTIFIED PUBLIC ACCOUNTANTS

424 MADISON AVENUE

NEW YORK, N.Y. 10017

(212) 888-8350

FAX (212) 888-5924

To the Board of Trustees of
Pets For Patriots, Inc.

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of Pets For Patriots, Inc. (the "Organization") (a nonprofit organization) as of December 31, 2012, which comprise the statement of financial position and related statements of activities and changes in net assets, and cash flows for the year then ended and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Organization's 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 financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

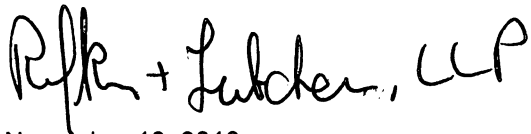
Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 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 Pets For Patriots, Inc. as of December 31, 2012 and the changes in net assets, and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink that reads "Rifkin + Lubcher, LLP". The signature is written in a cursive, flowing style.

November 13, 2013
New York, New York

PETS FOR PATRIOTS, INC.
(A nonprofit organization)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2012

Assets

Cash	\$ 52,537
Contributions receivable	11,650
Other receivables	2,563
Equipment, net	<u>8,318</u>
Total assets	<u>\$ 75,068</u>

Liabilities

Credit card payable	\$ 1,867
Accounts payable and other liabilities	<u>15,171</u>
	17,038

Net assets - unrestricted

Total liabilities and net assets

<u>58,030</u>
<u>\$ 75,068</u>

PETS FOR PATRIOTS, INC.
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STATEMENT OF ACTIVITIES AND CHANGE IN NET ASSETS

YEAR ENDED DECEMBER 31, 2012

Revenues	
Contributions	\$ 95,870
Special event income	80,800
Less direct costs of special event	<u>(18,027)</u>
Total revenues	<u>158,643</u>
Expenses	
Veterans' pet food bank program	46,253
Officer payroll and payroll taxes	48,386
Printing and advertising	9,116
Office supplies and expenses	721
Travel and hotel	1,577
Computer and website	9,644
Professional fees	6,500
Depreciation and amortization	4,827
Miscellaneous expenses	<u>5,002</u>
Total expenses	<u>132,026</u>
Change in net assets	26,617
Net assets - unrestricted, beginning of year	<u>31,413</u>
Net assets - unrestricted, end of year	<u><u>\$ 58,030</u></u>

PETS FOR PATRIOTS, INC.
(A nonprofit organization)

STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2012

INCREASE IN CASH

Cash flows from operating activities

Change in net assets	<u>\$ 26,617</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities	
Depreciation and amortization	4,827
Decrease in contributions receivable	1,350
Increase in other receivables	(2,563)
Decrease in credit card payable	(2,595)
Increase in accounts payable and other liabilities	<u>9,536</u>
Total adjustments	<u>10,555</u>
Net cash provided by operating activities	37,172

Cash flows (used in) investing activities

Cash paid for equipment	<u>(899)</u>
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Net increase in cash

36,273

Cash, beginning of year

16,264

Cash, end of year

\$ 52,537

PETS FOR PATRIOTS, INC.
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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Pets For Patriots, Inc. (the "Organization") is a nonprofit organization exempt from income tax under Section 501(c) (3) of the U.S. Internal Revenue Code. The purpose of the Organization is to conduct activities, which are exclusively charitable and educational.

The Organization's mission is to transform the lives of our veterans by helping them save an at-risk shelter dog or cat. This will end animal homelessness in the U.S. and enrich the lives of the men and women who serve, and have served our country. The Organization also provides access to additional cost reductions for veterinary services and pet basics.

Basis of accounting

The financial statements are prepared on the accrual basis of accounting.

Contributions

Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and nature of any donor restrictions.

Concentrations of credit risk

Financial instruments that potentially subject the Organization to credit risk consist of cash in financial institutions.

Use of estimates

The preparation of financial statements in conformity with the accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

Contributions receivable

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. At December 31, 2012, there is no allowance for uncollectible receivables.

Equipment

Equipment in excess of \$500 is capitalized and stated at cost. Depreciation is computed using the straight line method at rates calculated to amortize the cost over the estimated useful lives of the assets.

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NOTES TO FINANCIAL STATEMENTS

YEAR ENDED DECEMBER 31, 2012

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Date of management's review

Management has evaluated subsequent events through November 13, 2013, the date on which the financial statements were available to be issued.

Uncertainty in income taxes

The Organization complies with the provision pertaining to uncertain tax positions (ASC 740) and has determined that there are no material uncertain tax positions that require recognition or disclosure in the financial statements. Periods ending December 31, 2010 and subsequent remain subject to examination by applicable taxing authorities.

2 DONATED SERVICES AND FACILITIES

Unpaid volunteer officers and committees conduct a portion of the Organization's functions. The value of this contributed time is not reflected in the accompanying financial statements.

3 RELATED PARTY TRANSACTIONS

The Organization has significant interaction with its officers and directors.

4 EQUIPMENT

Equipment consists of the following at December 31, 2012:

		<u>Useful Life</u>
Equipment	\$ 15,707	3 - 5 years
Less: Accumulated depreciation and amortization	<u>(7,389)</u>	
	<u>\$ 8,318</u>	

Depreciation and amortization expense for the year ended December 31, 2012 amounted to \$4,827.