

**GIVE TO COLOMBIA, INC. AND SUBSIDIARY
CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
of Give to Colombia, Inc. and Subsidiary

We have audited the accompanying consolidated financial statements of Give to Colombia, Inc. and Subsidiary, (a nonprofit organization), which comprise the consolidated statements of financial position as of December 31, 2013 and 2012, and the related consolidated statements of activities and change in net assets, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Give to Colombia, Inc. and Subsidiary as of December 31, 2013 and 2012, and the changes in their net assets and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.



Miami, Florida
June 18, 2014

GIVE TO COLOMBIA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
DECEMBER 31,

	2013	2012
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (including \$699,504 and \$441,674 of restricted cash in 2013 and 2012, respectively)	\$ 1,233,396	\$ 772,732
Grant receivable	926,522	1,584,202
Pledges receivable	14,870	163,128
Total current assets	2,174,788	2,520,062
Property and equipment, net	4,430	6,114
Total assets	\$ 2,179,218	\$ 2,526,176
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued expenses	\$ 70,242	\$ 25,352
Fiscal agency funds	-	62,500
Deferred revenue	926,522	1,584,202
Total liabilities	996,764	1,672,054
NET ASSETS		
Unrestricted	215,361	327,744
Temporarily restricted	967,093	526,378
Total net assets	1,182,454	854,122
Total liabilities and net assets	\$ 2,179,218	\$ 2,526,176

See accompanying notes to consolidated financial statements.

GIVE TO COLOMBIA, INC. AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES AND CHANGE IN NET ASSETS

FOR THE YEARS ENDED DECEMBER 31,

	2013			2012		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE						
Contributions	\$ 167,892	\$ 2,100,253	\$ 2,268,145	\$ 1,723,962	\$ 726,545	\$ 2,450,507
Other income (expense)	(1,574)		(1,574)	3,827		3,827
	<u>166,318</u>		<u>2,266,571</u>	<u>1,727,789</u>		<u>2,454,334</u>
Special events	305,766		305,766	468,003		468,003
Less: Direct costs	(132,195)		(132,195)	(355,162)		(355,162)
	<u>173,571</u>		<u>173,571</u>	<u>112,841</u>		<u>112,841</u>
Net assets released from temporary restrictions	1,659,538	(1,659,538)	-	487,674	(487,674)	-
Total support and revenue	<u>1,999,427</u>	<u>440,715</u>	<u>2,440,142</u>	<u>2,328,304</u>	<u>238,871</u>	<u>2,567,175</u>
EXPENSES						
Program services	1,772,519		1,772,519	1,910,417		1,910,417
Fundraising	213,730		213,730	203,293		203,293
Management and general	125,561		125,561	213,334		213,334
Total expenses	<u>2,111,810</u>		<u>2,111,810</u>	<u>2,327,044</u>		<u>2,327,044</u>
CHANGE IN NET ASSETS	(112,383)	440,715	328,332	1,260	238,871	240,131
NET ASSETS - BEGINNING	<u>327,744</u>	<u>526,378</u>	<u>854,122</u>	<u>326,484</u>	<u>287,507</u>	<u>613,991</u>
NET ASSETS - ENDING	<u>\$ 215,361</u>	<u>\$ 967,093</u>	<u>\$ 1,182,454</u>	<u>\$ 327,744</u>	<u>\$ 526,378</u>	<u>\$ 854,122</u>

See accompanying notes to consolidated financial statements.

GIVE TO COLOMBIA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2013

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Accounting fees	\$ -	\$ -	\$ 26,204	\$ 26,204
Bank and merchant account fees	-	-	4,171	4,171
Conference	-	-	638	638
Consulting fees	21,250	11,250	17,936	50,436
Depreciation	-	-	1,684	1,684
Marketing	-	192	-	192
Grants to others	1,676,934	-	-	1,676,934
Insurance	-	-	2,517	2,517
Legal fees	-	-	379	379
Licenses and permits	-	-	4,378	4,378
Office supplies	-	-	5,279	5,279
Postage and shipping	1,476	174	87	1,737
Printing and publications	1,792	512	23	2,327
Rent	-	-	5,540	5,540
Repairs and maintenance	-	-	2,833	2,833
Salaries and related expenses	60,967	180,130	51,419	292,516
Telephone and communications	1,874	1,874	417	4,165
Travel and entertainment	8,226	1,998	2,056	12,280
Writeoff of doubtful pledges	-	17,600	-	17,600
	<u>\$ 1,772,519</u>	<u>\$ 213,730</u>	<u>\$ 125,561</u>	<u>\$ 2,111,810</u>

See accompanying notes to consolidated financial statements

GIVE TO COLOMBIA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2012

	<u>Program Services</u>	<u>Fundraising</u>	<u>Management and General</u>	<u>Total</u>
Accounting fees	\$ -	\$ -	\$ 20,700	\$ 20,700
Bank and merchant account fees	-	-	2,793	2,793
Conference	-	-	5,153	5,153
Consulting fees	2,643	27,226	72,242	102,111
Depreciation	-	-	2,130	2,130
Fundraising	-	3,366	-	3,366
Grants to others	1,844,658	-	-	1,844,658
Insurance	-	-	3,210	3,210
Legal fees	-	-	4,591	4,591
Licenses and permits	-	-	4,329	4,329
Office supplies	-	-	4,620	4,620
Postage and shipping	2,605	307	153	3,065
Printing and publications	4,095	1,170	53	5,318
Rent	-	-	24,119	24,119
Repairs and maintenance	-	-	5,506	5,506
Salaries and related expenses	54,077	159,774	61,607	275,458
Telephone and communications	2,339	2,340	520	5,199
Travel and entertainment	-	9,110	1,608	10,718
	<u>\$ 1,910,417</u>	<u>\$ 203,293</u>	<u>\$ 213,334</u>	<u>\$ 2,327,044</u>

See accompanying notes to consolidated financial statements

GIVE TO COLOMBIA, INC. AND SUBSIDIARY
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31,

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 328,332	\$ 240,131
Adjustments to reconcile change in net assets to net cash and cash equivalents provided by operating activities:		
Depreciation	1,684	2,130
Writeoff of doubtful pledges	17,600	-
Non-cash donations	22,500	108,619
Non-cash expenses	(22,500)	(108,619)
Change in operating assets and liabilities:		
Decrease in grant receivable	657,680	(1,509,202)
(Increase) decrease in pledges receivable	130,658	(9,437)
Decrease in prepaid expenses	-	17,521
Increase (decrease) in accounts payable and accrued expenses	44,890	(163,272)
Decrease in fiscal agency funds	(62,500)	(140,536)
Increase (decrease) in deferred revenue	<u>(657,680)</u>	<u>1,584,202</u>
 NET CASH AND CASH EQUIVALENTS PROVIDED BY OPERATING ACTIVITIES	 <u>460,664</u>	 <u>21,537</u>
 CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	<u>-</u>	<u>(3,942)</u>
 NET INCREASE IN CASH AND CASH EQUIVALENTS	 460,664	 17,595
 CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	 <u>772,732</u>	 <u>755,137</u>
 CASH AND CASH EQUIVALENTS AT END OF YEAR	 <u>\$ 1,233,396</u>	 <u>\$ 772,732</u>

See accompanying notes to consolidated financial statements

GIVE TO COLOMBIA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Give to Colombia, Inc., a 501(c)(3) nonprofit United States based corporation, and its subsidiary, (collectively the "Organization"), seek to increase the flow of international donations and provide enduring, scalable and sustainable solutions to Colombia's most vulnerable populations in the areas of education, economic development, health and nutrition and environment. It creates, promotes and facilitates alliances between international donors and Colombian grassroots organizations, optimizing the social impact of private and institutional donors' investments in the social sector. To achieve these goals, the Organization selects and partners with local foundations to implement high impact projects, ensuring that they comply with the donors' standards of reporting, accountability and effectiveness.

During 2010, Give to Colombia, Inc. created a wholly owned non-profit private entity in Colombia to support and facilitate administrative procedures of the Organization, as well as to monitor grantees. It is registered under the name Organización Give to Colombia (the "Subsidiary"), and was legally established under Colombian laws. For the years ended December 31, 2013 and 2012, the accompanying consolidated financial statements include the accounts of Give to Colombia, Inc. and its Subsidiary. All intercompany balances and transactions, if any, have been eliminated in consolidation.

Financial Statement Presentation

The accompanying consolidated financial statements have been prepared on the accrual basis of accounting and are presented in accordance with accounting principles generally accepted in the United States of America. The Financial Accounting Standards Board ("FASB") implemented the Accounting Standards Codification ("ASC") which establishes FASB ASC as the source of authoritative U.S. accounting and reporting standards for non-governmental entities.

These consolidated financial statements are presented in accordance with FASB ASC 958-205, *Presentation of Financial Statements*. In accordance with these standards, the Organization is required to classify its resources into three separate classes of net assets as follows:

Unrestricted

Unrestricted net assets include all net assets, which are neither temporarily or permanently restricted and are not subject to any donor-imposed stipulations.

GIVE TO COLOMBIA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Presentation (Continued)

Temporarily Restricted

Net assets whose use by the Organization is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled or otherwise removed by actions of the Organization pursuant to those stipulations. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities and change in net assets as net assets released from temporary restrictions.

Permanently Restricted

Net assets whose use by the Organization is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Organization. The Organization had no permanently restricted net assets as of December 31, 2013 and 2012.

Income Taxes

The Internal Revenue Service has determined that the Organization is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, the accompanying consolidated financial statements reflect no provision for income taxes. The Organization's income tax filings are subject to audit by federal tax authorities. The Organization's open audit years are 2010 through 2013.

The Colombian National Tax and Customs Department has determined that the Organization's Subsidiary is exempt from any income taxes under the Colombian tax code.

Estimates

The preparation of consolidated financial statements in conformity with generally accepted accounting principles 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 consolidated financial statements and the reported amounts of support, revenue and expenses during the reporting period. Actual results could differ from those estimates; however, management does not believe these differences would have a material effect on the consolidated financial statements.

GIVE TO COLOMBIA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

The Organization considers deposits with banks and highly liquid investments available for current use purchased with a maturity of three months or less to be cash equivalents.

Support and Revenue Recognition

Contributions are recognized when the donor makes a promise to give to the Organization that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets. Contributions of donated non-cash assets are recorded at their fair values in the year received.

Deferred revenue represents amounts from refundable and non-refundable grants. Deferred revenue from non-refundable grants includes the gross amount of the grant less cash received. Deferred revenue from refundable grants includes the unexpended portion of the grant.

The Organization uses the allowance method to determine uncollectible pledges receivable or grants receivable. The allowance is based on prior years' experience and management's analysis of specific pledges or grants made. As of December 31, 2013 and 2012 all pledges receivable and grant receivable were deemed fully collectible. Consequently, no allowance was deemed necessary.

Property and Equipment

Purchased property and equipment are recorded at cost. Expenditures for property and equipment in excess of \$1,000 are capitalized, lesser amounts are expensed. Expenditures for repairs and maintenance are charged to expense as incurred. Donated property and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as restricted support.

Property and equipment is depreciated using the straight-line method over the estimated useful life of the assets, ranging from three to seven years. Upon the sale or disposition, the related costs and accumulated depreciation are removed from the accounts and any resulting gain or loss is recognized in the consolidated statements of activities and change in net assets.

GIVE TO COLOMBIA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributions In-Kind

Contributions of donated non-cash assets are recorded at their fair values in the period received. Contribution of donated services that create or enhance non-financial assets or that require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation, are recorded at their fair values in the period received. The Organization utilizes donated office space in Miami. The value of the donated space is immaterial, and therefore no related entry is recorded.

Allocation of Functional Expenses

The cost of providing the various programs and other activities has been summarized on a functional basis in the consolidated statements of activities and change in net assets and the consolidated statements of functional expenses. Accordingly, certain common expenses have been allocated among the programs and supporting services based upon management's estimate of factors such as time spent or space utilized.

Compensated Absences

The Organization records a liability for amounts due to employees for future absences which are attributable to services performed in the current and prior periods depending on length of service and other factors. Accrued compensated absences at December 31, 2013 and 2012 were approximately \$15,500 and \$9,600, respectively.

Foreign Currency Translation

The functional currency of the Organization's foreign subsidiary in Colombia is the local currency. The financial statements of the Organization's foreign subsidiary has been translated into U.S. dollars using the exchange rates in effect at the consolidated statements of financial position dates. The Organization experienced a net foreign currency transaction loss of approximately \$2,100 in 2013 and a net foreign currency transaction gain of approximately \$3,600 in 2012. These amounts are included in other income (expense) in the accompanying consolidated statements of activities and change in net assets.

Reclassifications

Certain accounts in the 2012 consolidated financial statements have been reclassified to conform to the 2013 presentation.

Subsequent Events

The Organization has evaluated subsequent events through June 18, 2014, the date which the consolidated financial statements were available to be issued.

GIVE TO COLOMBIA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 2 - RESTRICTED CASH

At December 31, restricted cash comprises the following:

	<u>2013</u>	<u>2012</u>
Donation for program services	\$699,504	\$379,174
Fiscal agency funds	-	<u>62,500</u>
Total	<u>\$699,504</u>	<u>\$441,674</u>

NOTE 3 - PROPERTY AND EQUIPMENT

At December 31, property and equipment comprises the following:

	<u>2013</u>	<u>2012</u>
Office equipment	\$ 8,123	\$ 8,123
Furniture and fixtures	<u>460</u>	<u>460</u>
Total	8,583	8,583
Less: accumulated depreciation	(4,153)	(2,469)
Total property and equipment	<u>\$ 4,430</u>	<u>\$ 6,114</u>

NOTE 4 - FISCAL AGENCY FUNDS

During 2012, the Organization co-sponsored the BeLive event with other United States based Internal Revenue Code Section 501(c)(3) organizations as well as Colombian nonprofit organizations. Each year these entities enter into an agreement to share the proceeds from the event. As of December 31, 2012, the funds that have not yet been distributed to the other organizations are recorded as fiscal agency funds with a corresponding amount included as restricted cash in the accompanying consolidated statements of financial position. No fiscal agency funds are due to other organizations at December 31, 2013.

NOTE 5 - ECONOMIC DEPENDENCE

The Organization provides its program services with funds received from various corporate charitable foundations. A reduction in the level of this funding, if this were to occur, may have a significant effect on the Organization's programs and activities. Revenues received from one donor represented 24% and 16% of the Organization's support and revenue for the years ended December 31, 2013 and 2012, respectively. Grant receivable with one donor represented approximately 98% and 91% of total grant receivable and pledges receivable at December 31, 2013 and 2012, respectively.

GIVE TO COLOMBIA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 6 - CONCENTRATION RISK

The Organization maintains cash balances at several financial institutions in the United States. Interest bearing cash accounts are insured by the Federal Deposit Insurance Corporation up to \$250,000. Unlimited Federal Deposit Insurance Corporation insurance for noninterest-bearing accounts became effective on December 31, 2010 and continued through December 31, 2012. The Organization's uninsured cash balances totaled approximately \$30,000 at December 31, 2013. No uninsured cash balances were held at financial institutions in the United States at December 31, 2012.

The Organization's Subsidiary in Colombia maintains cash balances at one Colombian financial institution. The Colombia Guarantee Fund for Financial Institutions manages the system of deposit insurance in Colombia and offers a current coverage limit of approximately \$11,000 per depositor per financial institution. The Organization's Colombian Subsidiary's uninsured cash balances totaled approximately \$720,000 and \$399,000 at December 31, 2013 and 2012, respectively.

NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS

At December 31, temporarily restricted net assets consist of the following:

	<u>2013</u>	<u>2012</u>
Inter-American Development Bank	\$ 721,104	\$ 369,956
Motorola Solutions Foundation	68,000	-
JGB Bank	42,500	-
Fundación Carlos y Sonia Haime	18,000	42,122
JP Morgan Chase Foundation	9,000	27,000
Tiffany & Co. Foundation	-	75,000
The General Electric Foundation	-	12,300
Felipe Medina	5,000	-
Skanska USA	4,650	-
Other	98,839	-
	<u>\$ 967,093</u>	<u>\$ 526,378</u>

GIVE TO COLOMBIA, INC. AND SUBSIDIARY
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2013 AND 2012

NOTE 8 - GRANT ALLOCATIONS

During 2013 and 2012, the Organization awarded grants to the following organizations in Colombia as well as United States based Internal Revenue Code Section 501(c)(3) organizations:

	<u>2013</u>	<u>2012</u>
Fundación Ecoprogreso	\$293,880	\$ 389,856
Corporación Conexión Colombia	245,113	353,517
Corporación Orquesta Filarmónica de Medellín	199,975	203,317
Consorcio Grucón	111,356	-
Fundación ECSIM Centro de Estudios en Economía Sistémica	102,304	-
Corporación Banca de Inversión Social	100,000	58,600
Fundación Mamonal	99,771	-
CAD Proyecto de Vida	93,000	-
Corporación General Gustavo Matamoros D'Costa	76,475	-
Fundación Alianza por la Minería Responsable	75,000	75,000
Corporación Interactuar	61,680	20,560
Fundación Ernestina Garcia de Santo Domingo	38,585	-
Fundación Teletón	29,603	12,168
Corporación Enseña Por Colombia	27,662	42,200
Fundación Santa Fe de Bogotá	25,000	74,080
Fundación Juan Felipe Gomez Escobar	18,571	83,497
Universidad del Valle - Cinara	11,030	24,200
Fundación Carlos y Sonia Haime	-	186,641
Formula Smiles	-	70,672
Fundación Gabriel Piedrahita Uribe	-	57,846
Fundación Servióptica	-	29,760
Genesis Foundation	-	20,182
Fe y Alegría de Colombia	-	15,000
Fundación Un Techo Para Mi País	-	15,000
Others	67,929	112,562
	<u>\$1,676,934</u>	<u>\$1,844,658</u>

NOTE 9 - GRANT FROM INTER-AMERICAN DEVELOPMENT BANK

In March 2012, the Organization entered into a non-reimbursable technical cooperation grant with the Inter-American Development Bank ("IADB") as the executive agency for the implementation of a project to develop sustainable water and sanitation systems in rural and pre-urban communities in Colombia. The grant is divided into two separate grants totaling \$2,000,000. As of December 31, 2013, the Organization has received funding of approximately \$1,073,500 from IADB.