

WAG MY TAIL, INC.
FINANCIAL STATEMENTS
As of and for the Year Ended December 31, 2013
And
ACCOUNTANTS' REVIEW REPORT

Benito O. Rodriguez & Company
A
Certified Public Accounting Firm
Hacienda Heights, CA 91745

WAG MY TAIL, INC.
FINANCIAL STATEMENTS
As of and For the Year Ended December 31, 2013

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INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Wage My Tail, Inc.
Sunland, California

We have reviewed the accompanying balance sheet of Wage My Tail, Inc. as of December 31, 2013, and the related statements of income and stockholders' equity, and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Company management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the financial statements.

Our responsibility is to conduct the review in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. Those standards require us to perform procedures to obtain limited assurance that there are no material modification that should be made to the financial statements. We believe that the results of our procedures provide a reasonable basis for our report.

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Respectfully Submitted,



Benito O. Rodriguez, & Company
Hacienda Hts, CA
May 29, 2014

WAG MY TAIL, INC.
BALANCE SHEET
December 31, 2013

ASSETS

CURRENT ASSETS

CASH AND CASH EQUIVALENTS	\$	29,948
ACCOUNTS RECEIVABLE		12,644
TOTAL CURRENT ASSETS		42,592

NONCURRENT ASSETS

PROPERTY AND EQUIPMENT (NOTE 2)		108,368
LESS: ACCUMULATED DEPRECIATION (NOTE 2)		(19,603)
NET PROPERTY AND EQUIPMENT		88,765

DEPOSITS

		3,000
TOTAL NONCURRENT ASSETS		91,765

TOTAL ASSETS

\$ 134,357

LIABILITIES AND STOCKHOLDERS' EQUITY

CURRENT LIABILITIES

ACCOUNTS PAYABLE	\$	2,264
ACCRUED PAYROLL PAYABLE		-
ACCRUED PAYROLL TAXES PAYABLE		-
ACCRUED CALIFORNIA FRANCHISE TAX PAYABLE		-
CURRENT PORTIONS OF LONGTERM DEBT		-
TOTAL CURRENT LIABILITIES		2,264

LONGTERM LIABILITIES

STOCKHOLDER LOANS PAYABLE		-
REFUNDABLE DEPOSITS		-
TOTAL LONGTERM LIABILITIES		-

TOTAL LIABILITIES

2,264

STOCKHOLDERS' EQUITY

COMMON STOCK, (\$0.001 par value, 2,000,000 shares authorized, 1,633,750 shares issued and outstanding)		1,000
PAID IN CAPITAL IN EXCESS OF PAR		849,634
RETAINED EARNINGS		(718,541)
TOTAL STOCKHOLDERS' EQUITY		132,093

TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY

\$ 134,357

See Accountants' Review Report
See Accountants' Notes which are an integral part of these Financial Statements.

WAG MY TAIL, INC.
STATEMENT OF INCOME AND STOCKHOLDERS' EQUITY
For the Year Ended December 31, 2013

REVENUES	\$	486,247
COST OF REVENUES EARNED		<u>19,468</u>
GROSS PROFIT		466,779
GENERAL AND ADMINISTRATIVE EXPENSES		<u>443,665</u>
INCOME (LOSS) FROM OPERATIONS		23,114
OTHER INCOME AND (EXPENSES)		<u>2</u>
NET INCOME (LOSS) BEFORE PROVISION FOR INCOME TAXES		<u>23,116</u>
LESS: PROVISION FOR FEDERAL AND STATE INCOME TAXES		<u>3,281</u>
NET INCOME (LOSS)		19,835
STOCKHOLDERS' EQUITY AT JANUARY 1 2013		(70,330)
STOCKHOLDER CONTRIBUTIONS		<u>182,588</u>
STOCKHOLDERS' EQUITY AT DECEMBER 31 2013	\$	<u><u>132,093</u></u>

See Accountants' Review Report
See Accountants' Notes which are an integral part of these Financial Statements.

WAG MY TAIL, INC.
STATEMENT OF CASH FLOWS (Indirect Method)
For the Year Ended December 31, 2013

CASH FLOWS FROM OPERATING ACTIVITIES

NET INCOME \$ 19,835

ADJUSTMENTS TO RECONCILE NET INCOME TO

NET CASH PROVIDED BY OPERATING ACTIVITIES:	
DEPRECIATION	7,240
DECREASE (INCREASE) IN ACCOUNTS RECEIVABLE	(3,413)
DECREASE (INCREASE) IN OTHER CURRENT ASSETS	14,714
INCREASE (DECREASE) IN ACCOUNTS PAYABLE AND OTHER EXPENSES	(134,170)
INCREASE (DECREASE) IN CURRENT PORTION OF LONGTERM DEBT	-
TOTAL CASH PROVIDED (USED) FROM OPERATING ACTIVITIES	(95,794)

CASH FLOWS FROM INVESTING ACTIVITIES

PROCEEDS FROM DISPOSITION OF VEHICLE	-
	23,653
TOTAL CASH PROVIDED (USED) FROM INVESTING ACTIVITIES	23,653

CASH FLOWS FROM FINANCING ACTIVITIES

INCREASE (DECREASE) IN STOCKHOLDERS' NOTES PAYABLE	(115,978)
INCREASE (DECREASE) IN REFUNDABLE DEPOSITS	-
INCREASE (DECREASE) IN PAID IN CAPITAL IN EXCESS OF PAR	182,588
DIVIDEND DISTRIBUTIONS	-
TOTAL CASH PROVIDED (USED) FROM FINANCING ACTIVITIES	66,610

NET INCREASE (DECREASE) IN CASH & CASH EQUIVALENTS (5,531)

CASH AND CASH EQUIVALENTS JANUARY 1, 2013 35,479

CASH AND CASH EQUIVALENTS DECEMBER 31, 2013 \$ 29,948

See Accountants' Review Report
See Accountants' Notes which are an integral part of these Financial Statements.

WAG MY TAIL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of the Wage My Tail, Inc. (hereinafter referred to as the Company) formed and incorporated during 2004 in the State of California is presented to assist in understanding the Company's financial statements. The financial statements and notes are representation 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 OPERATION

Wage My Tail, Inc. operates as a private post-secondary educational institution of learning which provides students technical instruction and practical operations covering practices constituting the art of pet grooming. Students are provided with the knowledge and skills necessary for entry into a career in pet grooming in the State of California.

REVENUE RECOGNITION

The Company's records and reports assets, liabilities, income and expenses using the accrual basis of accounting, whereby income is recorded when earned and expenses as incurred and education code sections 74110 and 74115.

FAIR VALUE MEASUREMENTS

The Company follows FASB ASC 820-10 for a single definition and framework for measuring fair value and expanded disclosures resulting in increased consistency and comparability in fair value measurements. Under FASB ASC 820-10, items carried at fair value on a recurring basis consist of accounts receivable and accounts payable. Items carried at fair value on a non-recurring basis generally consist of assets held for sale. The Company also uses fair value concepts to test various long-lived assets for impairment.

FASB ASC 820-10 requires that fair value be determined by providing a fair value hierarchy consisting of three levels, generally ranging from the most objective determination of fair value to the most subjective. The levels vary depending on the objectivity of the information used in valuation techniques to determine fair value. These levels are referred to as categories of input into those techniques. The three general valuation levels that may be used to measure fair value are as described below:

Level 1: Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Company has the ability to access.

Level 2: Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the assets or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means

WAG MY TAIL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

FAIR VALUE MEASUREMENTS (Continued)

Level 3: Inputs to the valuation methodology are unobservable and significant to the fair market value. They are the most subjective, are generally based on the entity's own assumptions on how knowledgeable parties would price assets or liabilities, and are developed using the best information available in the circumstances.

The carrying values of cash; trade assets and trade liabilities, such as accounts receivable and accounts payable approximate fair value due to the relatively short maturity of these instruments. There are no notes payables as of December 31, 2013.

USE OF ESTIMATES

The financial statements have been prepared in conformity with generally accepted accounting principles and, as such include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates and may result in material differences to the financial statements.

INCOME TAXES

The Company accounts for income taxes in accordance with Statement of Financial Accounting Standards No. 109 Accounting for Income Taxes, which requires an asset and liability approach to the financial accounting and reporting for income taxes. Deferred Income tax assets and liabilities are computed annually for differences between the financial statement and tax basis of assets and liabilities that will result in taxable or deductible amounts in the future based on enacted tax laws and rates applicable to the period in which the differences are expected to be realized. Income tax expense is the tax payable or refundable for the period plus or minus the change during the period in deferred tax assets and liabilities.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash in banks, savings and other liquid accounts. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are purchased with a maturity date within 90 days or less. Carrying amounts approximate fair value of cash and cash equivalents due to the short-term nature of these items.

CASH - CONCENTRATION OF CREDIT RISK

The Company maintains its cash accounts with credit quality financial institutions. Total cash balances are insured in each institution by the FDIC up to \$250,000 per bank. As of December 31, 2013 the Company did not have cash balances which exceeded the FDIC insured limits.

TRADE ACCOUNTS RECEIVABLE

Trade accounts receivable are recorded at the amount the Company expects to collect on balances outstanding at year-end. Management closely monitors outstanding balances and writes off, as of year-end, all balances that have not been collected by the time the financial statements are issued.

WAG MY TAIL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

BAD DEBTS

The Company uses the direct-write-off method for recognition of bad debts and, thus, accounts receivable are carried at full value. No allowance for doubtful accounts is believed necessary. A yearly analysis of accounts receivable is made and accounts deemed uncollectible are written off.

PROPERTY, EQUIPMENT AND DEPRECIATION

Land and depreciable equipment are stated at cost. Major replacements and improvements are charged to the capital accounts, while repairs, which do not improve or extend the life of the assets, and maintenance, are expensed currently. At the time land or depreciable assets are disposed of, the asset accounts and related accumulated depreciation accounts are relieved of the applicable amounts. Gain or loss on sales is credited or charged to income.

Depreciation is computed principally by using the straight line method of depreciation over the estimated useful life of the asset. The useful lives of the assets are generally: Vehicles, 3-5 years; Furniture and Office Equipment 5-7 years; Construction Equipment 7-10 years.

PENSION PLANS

The Company does not have a pension or profit sharing plan.

NOTE 2 - PROPERTY AND EQUIPMENT

As of December 31, 2013 property and equipment amounted to approximately \$0-. There was no depreciation expense for the two months ended December 31, 2013.

Vehicles	\$	36,200
Furniture and Fixtures		3,748
Machinery and Equipment		38,381
Leasehold Improvements		30,039
		<hr/>
Total		108,368
Less accumulated depreciation		(19,603)
		<hr/>
Net Property and Equipment	\$	<u>88,765</u>

Depreciation expense for the year ended December 31, 2013 amounted to \$7,240.

NOTE 4 – OPERATING LEASE AGREEMENTS

The Company has entered into a lease agreement on approximately January 1, 2012 for office space located at 8459 Foothill Blvd, Sunland California. Monthly lease payments are \$3,800.00 and are fixed for the term of the lease which ends on May 31, 2014. The Company has renewed its lease for an additional term of eighteen months beginning on June 1, 2014. Monthly lease payments are \$3,952.00 and are fixed for the term or the lease which ends on November 30, 2015.

WAG MY TAIL, INC.
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

NOTE 4 – OPERATING LEASE AGREEMENTS (Continued)

Future lease commitments are as follow:

2014	\$ 46,664
2015	43,472
2016	-
2017 and thereafter	<u>-</u>
Total future lease commitments	<u>\$ 90,136</u>

Rent expense for the year ended December 31, 2013 amounted to approximately \$44,733.

NOTE 5 - INCOME TAXES

The income tax liability of the Company is reported on the Wage My Tail, Inc. Corporate Income Tax Return. The Shareholders have elected to be taxed as a “C” Corporation.

NOTE 6 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through May 29, 2014, the issuance date of the financial statements. As of the date of this report Management has entered into a new lease agreement for office space at its present location in Sunland California (See Note-4-Operating Lease Agreements for more detail). There are no other significant subsequent events have been identified that would require adjustment of or disclosure in the accompanying financial statements.