MERCY AND SHARING AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2013

MERCY AND SHARING AND SUBSIDIARY

CONTENTS

Independent Accountants' Review Report 1

Consolidated Financial Statements

Statement of Financial Position 2
Statement of Activities 3
Statement of Functional Expenses 4
Statement of Cash Flows 5

Notes to Consolidated Financial Statements 6-16

MARCUM
ACCOUNTANTS ▲ ADVISORS

INDPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Mercy and Sharing and Subsidiary
Carbondale, Colorado

We have reviewed the accompanying consolidated statement of financial position of Mercy and Sharing and Subsidiary (collectively, the "Organization") as of March 31, 2013, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. A review includes primarily applying analytical procedures to management's financial data and making inquiries of Organization management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the consolidated financial statements as a whole. Accordingly, we do not express such an opinion.

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America and designing, implementing, and maintaining internal control relevant to the preparation and fair presentation of the consolidated 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 modifications that should be made to the consolidated 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 consolidated financial statements in order for them to be in conformity with accounting principles generally accepted in the United States of America.

Marcum LLP

Fort Lauderdale, FL
November 26, 2013

MARCUM GROUP
MEMBER

Marcum LLP ■ 450 East Las Olas Boulevard ■ Ninth Floor ■ Fort Lauderdale, Florida 33301 ■ **Phone** 954.320.8000 ■ **Fax** 954.320.8001
marcumllp.com

MERCY AND SHARING AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MARCH 31, 2013

Assets		
Current Assets		
Cash and cash equivalents	$ 227,204	
Investments	2,288	
Goods pending distribution	21,292	
Other current assets	16,121	
Total Current Assets		$ 266,905
Fixed Assets, Net		1,467,762
Other Assets		1,064
Total Assets		$ 1,735,731
Liabilities and Net Assets		
Current Liabilities		
Accounts payable	$ 17,448	
Accrued expenses	28,963	
Deferred revenue	31,182	
Total Current Liabilities		$ 77,593
Long-Term Debt - Related Party		35,000
Commitments and Contingencies		
Net Assets		
Unrestricted	1,529,956	
Temporarily restricted	93,182	
Total Net Assets		1,623,138
Total Liabilities and Net Assets		$ 1,735,731

See accompanying notes and independent accountants' review report.

MERCY AND SHARING AND SUBSIDIARY

CONSOLIDATED STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED MARCH 31, 2013

	Unrestricted	Temporarily Restricted	Totals
Revenue and Other Support			
Contributions - cash	$ 1,372,285	$ 93,182	$ 1,465,467
Contributions - gifts in-kind	269,748	--	269,748
Private grants	461,615	--	461,615
Program service fees	910	--	910
Net investment loss	(131)	--	(131)
Total Revenue and Other Support	2,104,427	93,182	2,197,609
Expenses			
Program Services			
Orphanages	990,071	--	990,071
Nutrition	138,958	--	138,958
Education	521,087	--	521,087
Medical	259,607	--	259,607
Total Program Services	1,909,723	--	1,909,723
Supporting Services			
General and administrative	362,792	--	362,792
Fundraising	129,364	--	129,364
Total Supporting Services	492,156	--	492,156
Total Expenses	2,401,879	--	2,401,879
Change in Net Assets	(297,452)	93,182	(204,270)
Net Assets - Beginning of Year	1,827,408	--	1,827,408
Net Assets - End of Year	$ 1,529,956	$ 93,182	$ 1,623,138

See accompanying notes and independent accountants' review report.

MERCY AND SHARING AND SUBSIDIARY

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

FOR THE YEAR ENDED MARCH 31, 2013

	Program Services					Supporting Services			
	Orphanages	Nutrition	Education	Medical	Total Program Services	General and Administrative	Fundraising	Total Supporting Services	Total Program and Supporting Services
Salaries and Related Expenses									
Salaries	$ 440,662	$ 61,847	$ 231,927	$ 38,654	$ 773,090	$ 121,219	$ 32,869	$ 154,088	$ 927,178
U.S. and Haiti payroll taxes	48,193	6,764	25,365	4,227	84,549	2,372	1,581	3,953	88,502
Employee benefits	6,176	867	3,250	542	10,835	10,835	--	10,835	21,670
Total Salaries and Related Expenses	495,031	69,478	260,542	43,423	868,474	134,426	34,450	168,876	1,037,350
Food and supplies	321,188	45,079	169,046	28,174	563,487	41,694	56,544	98,238	661,725
Grants to affiliate organizations	--	--	--	144,200	144,200	--	--	--	144,200
Occupancy and related costs	61,392	8,617	32,311	5,385	107,705	35,901	--	35,901	143,606
Travel and meetings	22,534	3,163	11,859	1,977	39,533	38,370	38,370	76,740	116,273
Professional fees	37,839	5,311	19,915	3,319	66,384	14,806	--	14,806	81,190
Depreciation	33,754	4,737	17,765	2,961	59,217	10,450	--	10,450	69,667
Office expenses and supplies	--	--	--	--	--	50,868	--	50,868	50,868
Repairs and maintenance	12,941	1,816	6,811	1,135	22,703	7,568	--	7,568	30,271
Medical procedures	--	--	--	28,560	28,560	--	--	--	28,560
Computer services	--	--	--	--	--	14,175	--	14,175	14,175
Bank and credit card fees	--	--	--	--	--	12,620	--	12,620	12,620
Temporary and contract labor	5,392	757	2,838	473	9,460	--	--	--	9,460
Advertising	--	--	--	--	--	1,914	--	1,914	1,914
Total	$ 990,071	$ 138,958	$ 521,087	$ 259,607	$ 1,909,723	$ 362,792	$ 129,364	$ 492,156	$ 2,401,879

See accompanying notes and independent accountants' review report.

MERCY AND SHARING AND SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2013

Cash Flows From Operating Activities		
Change in net assets		$ (204,270)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	$ 69,667	
Change in operating assets and liabilities:		
Goods pending distribution	45,861	
Other current assets	(2,310)	
Accounts payable	10,713	
Accrued expenses	10,823	
Deferred revenue	(23,733)	
Total Adjustments		111,021
Net Cash Used In Operating Activities		(93,249)
Cash Flows From Investing Activities		
Purchases of equipment	(5,700)	
Proceeds from sale of investments	75,927	
Net Cash Provided by Investing Activities		70,227
Cash Flows From Financing Activities		
Proceeds from issuance of long-term debt - related party		35,000
Net Change in Cash and Cash Equivalents		11,978
Cash and Cash Equivalents - Beginning of Year		215,226
Cash and Cash Equivalents - End of Year		$ 227,204
Supplemental Disclosure of Cash Flow Information		
Cash paid during the year for interest		$ --
Cash paid during the year for income taxes		$ --

See accompanying notes and independent accountants' review report.

NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

THE ORGANIZATION

Mercy and Sharing is a not-for-profit corporation that provides care and education to abandoned, orphaned and disabled children in Haiti. Mercy and Sharing rescues the abused, abandoned and disabled and provides them with care, rehabilitation, education, hope and opportunity. The headquarters are located in Carbondale, Colorado.

Mercy and Sharing receives its funding principally from public donations and private grants throughout the United States of America. Mercy and Sharing uses these donations and grants to principally fund its Haiti operations. The Board of Directors make donations to Mercy and Sharing in order to principally fund the headquarter operations (Note 8).

On July 2, 2012, Mercy and Sharing created a wholly-owned subsidiary, Cetera Funding Co. ("Cetera"). Cetera's main purpose is to develop, market, and sell a Haitian hot sauce ("Haitian Celebration"), with the proceeds ultimately benefiting the Mercy and Sharing's operations in Haiti. Additionally, Cetera plans to educate the children in Haiti about the business and agriculture aspects of Haitian Celebration in order to further develop such children's trade skills. As of March 31, 2013, Cetera was still in the process of developing Haitian Celebration and the related operations were minimal.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements (the "financial statements") include the accounts of Mercy and Sharing and Cetera (collectively, the "Organization"). All significant transactions and account balances between entities have been eliminated in consolidation.

FINANCIAL STATEMENT PRESENTATION

The accompanying financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Net assets, revenues and expenses are classified based on the existence or absence of donor-imposed restrictions as follows:

Unrestricted

Net assets which are free of donor-imposed restrictions; all revenues and expenses that are not changes in permanently or temporarily restricted net assets are considered to be unrestricted net assets.

NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FINANCIAL STATEMENT PRESENTATION (CONTINUED)

Temporarily Restricted
Net assets which are limited by donor-imposed stipulations that either expire with the passage of time or that can be fulfilled or removed by actions of the Organization pursuant to those stipulations.

Permanently Restricted
Net assets which are 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 March 31, 2013.

CASH EQUIVALENTS

All highly liquid cash investments with original maturities of three months or less are considered to be cash equivalents.

INVESTMENTS

The Organization's investments consist of corporate common stock and are reported at fair value based on quoted market prices. The investment goal of the Organization is to convert all donations of investments into cash equivalents as soon as possible to minimize the risk of loss. Net investment income includes dividends, interest, realized and unrealized gains and losses. Purchases and sales are accounted for on the trade-date basis.

CONCENTRATIONS OF CREDIT RISK

Financial instruments which potentially expose the Organization to concentrations of credit risk consist principally of cash and cash equivalents and investments. The Organization maintains these balances in what it believes to be high quality financial institutions and an investment brokerage firm, which it believes limits it credit risk.

Cash and Cash Equivalents
Under insurance through the Federal Deposit Insurance Corporation ("FDIC"), deposit accounts are covered up to $250,000 per deposit holder at each financial institution. As of March 31, 2013, the Organization's cash and cash equivalents were fully insured under the FDIC.

NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONCENTRATIONS OF CREDIT RISK (CONTINUED)

Investments

Under insurance through the Securities Investor Protection Corporation ("SIPC"), investments may be covered up to $500,000 per investment holder at each investment brokerage firm.

GOODS PENDING DISTRIBUTION

The Organization's goods that are pending distribution consist principally of donated goods. Donated goods are valued at their estimated fair value at the date of donation.

FIXED ASSETS

Fixed assets valued in excess of $500 with a life greater than one year are capitalized. Fixed assets are recorded at cost or, if donated, at fair value at the date of donation. Major renewals and improvements are capitalized, while repairs and maintenance expenditures are expensed as incurred. When items are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any resulting gains or losses are recognized. Depreciation is computed on the straight-line method over the estimated useful lives of the respective assets.

The estimated useful lives of each asset group are as follows:

Asset Group	Estimated Useful Lives
Buildings and Improvements	40 years
Vehicles	5 years
Furniture and Equipment	3-7 years

CONTRIBUTIONS

Contributions and gifts received with no restrictions or specified uses identified by the donor are included in unrestricted revenue in the consolidated statement of activities when received. Contributions received with donor stipulations that limit the use of donated assets are reported as either temporarily or permanently restricted revenue in the consolidated statement of activities when received.

NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

CONTRIBUTIONS (CONTINUED)

When donor restrictions expire or are fulfilled by actions of the Organization, temporarily restricted net assets are reclassified as unrestricted net assets and reported in the consolidated statement of activities as net assets released from restriction. Donor restricted contributions whose restrictions are met within the same year as received are reflected as unrestricted revenue in the accompanying financial statements.

PRIVATE GRANTS

Grants from private foundations are recognized as revenue as the grant funds are expended in accordance with the grant provisions of the respective agreements.

DEFERRED REVENUE

Deferred revenue represents advances under private grants to be used for future program expenditures. Deferred revenue is recognized as revenue when the related expenditures are incurred.

PROGRAM SERVICE FEES

Program service fees represent user charges for services offered by the Organization. Program service fees generally are recognized as revenue when services are provided.

FUND-RAISING ACTIVITIES

The Organization's financial statements are presented in accordance with Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958 "Accounting for Costs of Activities of Not-for-Profit Organizations and State and Local Government Entities that Included Fund Raising". FASB ASC 958 establishes criteria for accounting and reporting for any entity that solicits contributions.

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FUNCTIONAL ALLOCATION OF EXPENSES

The cost of providing the various programs and other activities has been detailed in the accompanying consolidated statement of functional expenses and is summarized on a functional basis in the accompanying consolidated statement of activities. Salaries and other expenses, which are associated with a specific program, are charged directly to that program. Salaries and other expenses, which benefit more than one program, are allocated to the various programs principally based on the time spent.

CONTRIBUTED GOODS AND SERVICES

Contributed goods and services are reflected in the accompanying financial statements at their estimated fair value, if reasonably determined. The contributions of services are recognized if the services received (a) create or enhance non-financial assets, or (b) require specialized skills that are provided by individuals possessing those skills and would typically need to be purchased if not provided by donations. For the year ended March 31, 2013, the Organization reported approximately $270,000 in non-cash contributions.

Services provided by volunteers throughout the year are not recognized as contributions in the accompanying financial statements since these services are not susceptible to objective measurement or valuation.

FAIR VALUE MEASUREMENTS

In accordance with GAAP, the Organization defines fair value as the price that would be received to sell an asset or the price paid to transfer a liability in an orderly transaction between market participants at the measurement date. GAAP establishes a hierarchy for inputs used in measuring fair value that maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the most observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from sources independent of the Organization. Unobservable inputs are inputs that reflect the Organization's assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. The hierarchy is broken down into three levels based on the reliability of inputs as follows:

Level 1
Observable inputs, such as quoted market prices in active markets for the identical asset or liability that are accessible at the measurement date.

NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

FAIR VALUE MEASUREMENTS (CONTINUED)

Level 2
Inputs, other than quoted market prices included in Level 1, that are observable either directly or indirectly for the asset or liability.

Level 3
Unobservable inputs that reflect the entity's own assumptions about the exit price of the asset or liability. Unobservable inputs may be used if there is little or no market data for the asset or liability at the measurement date.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used should maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodology used for assets measured at fair value.

Corporate common stock: Shares of the corporate common stock are valued at quoted prices in active markets.

The method described above may produce fair value calculations that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization believes its valuation method is appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

Fair value measurements and the fair value hierarchy level for the Organization's assets measured at fair value as of March 31, 2013 are as follows:

	Assets at Fair Value			
	Level 1	Level 2	Level 3	Total
Corporate common stock	$ 2,288	$ --	$ --	$ 2,288
Assets at Fair Value	$ 2,288	$ --	$ --	$ 2,288

NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

INCOME TAXES

Mercy and Sharing is exempt from Federal and state income tax on all income, except for unrelated business income, under Internal Revenue Code Section 501(c)(3). For the year ended March 31, 2013, the Organization had no unrelated business income tax.

Cetera was incorporated as a Subchapter C Corporation for Federal income tax purposes. Accordingly, Cetera follows the applicable provisions of FASB ASC 740, Income Taxes. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax basis. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse. To the extent management believes deferred tax assets will not be fully realized in future periods; a valuation allowance is established to reduce deferred tax assets to amounts which management believes are more likely than not to be realized. For the year ended March 31, 2013, Cetera had limited operations which resulted in an insignificant net loss.

Accordingly, no provision for income taxes has been recorded in the accompanying financial statements.

The Organization accounts for uncertainty in income taxes in accordance with GAAP, which requires recognition in the accompanying financial statements of a tax position only after determining that the relevant tax authority would more likely than not sustain the position following an audit. For tax positions meeting the more likely than not threshold, the amount recognized in the financial statements is the largest benefit that has a greater than 50 percent likelihood of being realized upon ultimate settlement with the relevant tax authority. The Organization had no material unrecognized tax benefits and no adjustments to its consolidated financial position, activities or cash flows were required. The Organization does not expect that unrecognized tax benefits will increase within the next twelve months. Mercy and Sharing's tax returns for the years ended March 31, 2009 through March 31, 2012 remain subject to examination by Federal and state tax jurisdictions. Cetera's tax return for the period ended March 31, 2013 remains subject to examination by Federal and state tax jurisdictions.

The Organization did not record any interest or penalties on uncertain tax positions in the consolidated statement of financial position as of March 31, 2013 or the consolidated statement of activities for the year then ended. If the Organization were to incur any income tax liability in the future, interest on any income tax liability would be reported as interest expense and penalties on any income tax liability would be reported as income taxes.

NOTE 1 – THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

USE OF ESTIMATES

The preparation of the accompanying financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 – CONCENTRATIONS OF RISK

SUPPORT FROM MAJOR CONTRIBUTORS

The Organization received approximately 10% of total revenue and other support from one private grant during the year ended March 31, 2013.

NOTE 3 – INVESTMENTS

Investments at March 31, 2013 consist of the following:

	Cost	Fair Value
Corporate common stock	$ 2,288	$ 2,288
Total	$ 2,288	$ 2,288

For the year ended March 31, 2013, net investment income was insignificant.

NOTE 4 – FIXED ASSETS

Fixed assets at March 31, 2013 consist of the following:

Buildings and improvements	$ 1,182,685
Vehicles	209,942
Furniture and equipment	54,920
	1,447,547
Less: accumulated depreciation	(285,343)
	1,162,204
Land	305,558
Total	$ 1,467,762

Substantially all of the fixed assets are located in Haiti.

For the year ended March 31, 2013, depreciation expense amounted to approximately $70,000.

NOTE 5 – LONG-TERM DEBT – RELATED PARTY

On December 5, 2012, Cetera executed a loan and promissory note agreement (the "Loan Agreement") with the Helen Hayes Foundation (the "Foundation"), an entity founded by an Advisory Board Member of Mercy and Sharing. The Loan Agreement provides for annual interest only repayments (interest at 1% per annum) with the principal and unpaid accrued interest due at maturity, December 5, 2017. The Loan Agreement provides for the Foundation to fund Cetera's start-up activities with a loan up to $50,000. As of March 31, 2013, the outstanding loan balance is $35,000. For the year ended March 31, 2013, related interest expense was insignificant.

On January 5, 2013, Cetera executed a working capital loan and promissory note agreement (the "Capital Loan Agreement") with the Foundation. The Capital Loan Agreement provides for the Foundation to fund Cetera's operations with working capital advances up to maximum borrowings of $50,000. The Capital Loan Agreement provides for principal and accrued interest (interest at 1% per annum) on each draw to be paid within 90 days from the date of each respective draw. The Work Capital Loan Agreement expires upon the mutual agreement between Cetera and the Foundation. For the year ended March 31, 2013, Cetera did not draw funds against the working capital loan.

NOTE 6 – COMMITMENTS

The Organization previously leased space for its former headquarters in Aspen, Colorado under a non-cancellable operating lease, which expired in 2013. In September 2013, the Organization moved its headquarters to Carbondale, Colorado and executed a new non-cancellable operating lease, which expires in March 2015 (Note 9).

The lease requires monthly base rent payments of $300 plus the Organization's pro-rata assessment of real estate taxes, condominium fees and common area maintenance.

For the years ended March 31, 2014 and 2015, the estimated minimum annual non-cancelable commitment on this lease is approximately $3,600 for each year.

For the year ended March 31, 2013, rent expense for all leases amounted to approximately $29,000.

NOTE 7 – CONTINGENCIES

PRIVATE GRANTS

The Organization participates in private grant programs that are subject to audit by the respective grantor agencies. Any disallowed funds received or to be received under these programs may constitute a liability in the amount of the disallowed funds. Management does not believe that any potential disallowed funds would have a significant effect on the financial statements.

LEGAL MATTERS

From time to time, the Organization is subject to legal proceedings and claims that arise in the ordinary course of business. In the management's opinion, the outcome of any such actions would not have a material adverse effect on the Organization's consolidated financial position or results of operations.

NOTE 8 – RELATED PARTY TRANSACTIONS

During the year ended March 31, 2013, the Board of Directors made approximately $420,000 in cash contributions to principally fund the general and administrative activities of the Organization's headquarters (Note 1).

Refer to Note 5 for related party debt.

NOTE 9 – SUBSEQUENT EVENTS

SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through November 26, 2013, which is the date the financial statements were available to be issued.

In September 2013, the Organization moved its headquarters to Carbondale, Colorado and executed a new non-cancellable operating lease (Note 6).