AS OUR OWN, NFP

YEARS ENDED SEPTEMBER 30, 2013 AND 2012

AS OUR OWN, NFP

YEARS ENDED SEPTEMBER 30, 2013 AND 2012

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Independent Auditor's Report

Board of Directors
As Our Own, NFP
Chicago, Illinois

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of As Our Own, NFP and Aspire International, LLC, collectively referred to as As Our Own, NFP (the Organization), which comprise the statement of assets, liability and net assets – modified cash basis as of September 30, 2013 and the related statements of revenues and expenses – modified cash basis and functional expenses – modified cash basis for the year 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 the modified cash basis of accounting as described in Note 1; this includes determining that the modified cash basis of accounting is an acceptable basis for the preparation of the consolidated 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 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 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 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.

NBC Tower · Suite 1500 | 455 N. Cityfront Plaza Dr. | Chicago, IL 60611-5313 | P: 312.670.7444 | F: 312.670.8301 | www.orba.com

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 assets, liability and net assets of As Our Own, NFP as of September 30, 2013 and its revenues and expenses for the year then ended in accordance with the modified cash basis of accounting as described in Note 1 to the consolidated financial statements.

Basis of Accounting

We draw attention to Note 1 of the consolidated financial statements, which describes the basis of accounting. The consolidated financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to that matter.

Prior Period Financial Statements

The September 30, 2012 financial statements were reviewed by us and our report thereon dated November 20, 2012, stated we were not aware of any material modifications that should be made to those financial statements for them to be in accordance with the modified cash basis of accounting, as described in Note 1. However, a review is substantially less in scope than an audit and does not provide a basis for the expression of an opinion on the financial statements as a whole.

Ostrow Reisin Berk & Abrams, Ltd.

December 11, 2013

AS OUR OWN, NFP

CONSOLIDATED STATEMENT OF ASSETS, LIABILITY AND NET ASSETS
(Modified cash basis)

September 30,	**2013 (Audited)**			2012 (Reviewed)		
	Unrestricted	**Temporarily restricted**	**Total**	Unrestricted	Temporarily restricted	Total
ASSETS						
Cash and cash equivalents:						
Unrestricted	**$ 827,199**	**$ 512,941**	**$ 1,340,140**	$ 357,379	$ 194,962	$ 552,341
Restricted by Board designation (Note 5)	**150,000**		**150,000**			
Inventory	**2,781**		**2,781**	3,960		3,960
Other assets	**7,876**		**7,876**			
Property and equipment, net (Note 2)	**36,758**		**36,758**	23,732		23,732
Total assets	**$ 1,024,614**	**$ 512,941**	**$ 1,537,555**	$ 385,071	$ 194,962	$ 580,033
LIABILITY AND NET ASSETS						
Liability:						
Credit card payable	**$ 17,860**		**$ 17,860**	$ 2,529		$ 2,529
Net assets, including $150,000 designation by the Board in 2013 (Note 3 and 5)	**1,006,754**	**$ 512,941**	**1,519,695**	382,542	$ 194,962	577,504
Total liability and net assets	**$ 1,024,614**	**$ 512,941**	**$ 1,537,555**	$ 385,071	$ 194,962	$ 580,033

See notes to consolidated financial statements.

AS OUR OWN, NFP

CONSOLIDATED STATEMENT OF REVENUES AND EXPENSES
(Modified cash basis)

Years ended September 30,	2013 (Audited)			2012 (Reviewed)		
	Unrestricted	**Temporarily restricted**	**Total**	Unrestricted	Temporarily restricted	Total
Revenues and support:						
Rescue		**$ 36,141**	**$ 36,141**		$ 59,919	$ 59,919
Aftercare		**112,996**	**112,996**		59,979	59,979
Prevention		**65,679**	**65,679**		133,284	133,284
Capital Campaign		**570,000**	**570,000**		106,000	106,000
Contributions	**$ 1,366,014**		**1,366,014**	$ 822,505		822,505
Merchandising	**5,968**		**5,968**	10,311		10,311
Non-cash contributions				6,960		6,960
Total revenues and support	**1,371,982**	**784,816**	**2,156,798**	839,776	359,182	1,198,958
Other revenues:						
Investment income	**602**		**602**	56		56
Net assets released from restrictions	**466,837**	**(466,837)**		227,069	(227,069)	
Total revenues and other support	**1,839,421**	**317,979**	**2,157,400**	1,066,901	132,113	1,199,014
Expenses:						
Program services	**880,544**		**880,544**	650,884		650,884
Management and general	**131,822**		**131,822**	92,059		92,059
Fundraising and development	**202,843**		**202,843**	136,915		136,915
Total expenses	**1,215,209**		**1,215,209**	879,858		879,858
Change in net assets	**624,212**	**317,979**	**942,191**	187,043	132,113	319,156
Net assets:						
Beginning of year	**382,542**	**194,962**	**577,504**	195,499	62,849	258,348
End of year	**$ 1,006,754**	**$ 512,941**	**$ 1,519,695**	$ 382,542	$ 194,962	$ 577,504

See notes to consolidated financial statements.

AS OUR OWN, NFP

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES
(Modified cash basis)

Year ended September 30, 2013 (Audited)	Program services	Management and general	Fundraising and development	Total
Advertising	$ 14,885		$ 22,136	$ 37,021
Bank service charges		$ 3,725	11,175	14,900
Communications expense	6,506		6,236	12,742
Compensation and payroll taxes	221,986	73,994	73,994	369,974
Depreciation	4,645	720	1,177	6,542
Dues and subscriptions		2,085	2,085	4,170
Employee benefits	3,770	1,257	1,257	6,284
Insurance	577	1,347		1,924
Meetings and seminars		8,735		8,735
Miscellaneous expense			6,208	6,208
Office		72		72
Professional fees	15,518	23,842	54,966	94,326
Program grants	524,333			524,333
Promotional merchandise			3,767	3,767
Rent		185	185	370
Shipping and postage	2,185	2,026	2,704	6,915
Stationary and printing	4,543	2,271	4,543	11,357
Supplies		4,419	1,893	6,312
Taxes and licenses		10	138	148
Telephone	4,727	1,575	1,575	7,877
Travel:				
Domestic	15,432	4,243	6,364	26,039
International	53,350			53,350
Meals	1,591	389	584	2,564
Website fees	6,496	927	1,856	9,279
Total functional expenses	$ 880,544	$ 131,822	$ 202,843	$ 1,215,209

See notes to consolidated financial statements.

AS OUR OWN, NFP

STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)
(Modified cash basis)

Year ended September 30, 2012 (Reviewed)	Program services	Management and general	Fundraising and development	Total
Advertising	$ 8,276	$ 5,517	$ 13,794	$ 27,587
Bank service charges		7,040	5,670	12,710
Communications expense	5,200	5,076	10,151	20,427
Compensation and payroll taxes	187,096	23,349	57,205	267,650
Depreciation		5,059		5,059
Dues and subscriptions		1,145	3,436	4,581
Employee benefits		1,200		1,200
Fundraising			1,189	1,189
Insurance	7,997	2,666		10,663
Meetings and seminars		5,101	1,700	6,801
Miscellaneous expense	1,175	3,162		4,337
Office		108		108
Professional fees	36,059	23,074	4,800	63,933
Program grants	371,467			371,467
Promotional merchandise	2,497			2,497
Rent		310		310
Shipping and postage		1,448	4,345	5,793
Staff development	1,245			1,245
Stationary and printing		3,584	10,754	14,338
Supplies		1,542	4,627	6,169
Taxes and licenses		117		117
Telephone	6,438		339	6,777
Travel:				
Domestic	1,271	1,727	15,644	18,642
International	22,163			22,163
Meals			2,011	2,011
Website fees		834	1,250	2,084
Total functional expenses	$ 650,884	$ 92,059	$ 136,915	$ 879,858

See notes to consolidated financial statements.

1. Summary of significant accounting policies

Nature of organization:

As Our Own, NFP (the Organization) is an Illinois not-for-profit corporation, incorporated in April 2006 exclusively for religious, charitable and educational purposes and may make grants to qualified organizations. The eligibility of the recipients is determined by the Organization's management following its operating guidelines. On January 29, 2007, the Internal Revenue Service determined the Organization to be exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

Aspire International, LLC was created for the purpose of directing grants from As Our Own, NFP to qualified organizations.

The Organization maintains four programs: Rescue, Aftercare, Prevention and Capital Campaign. The program goals are mainly achieved by making grants to various qualified charitable organizations in India whose mission is in line with As Our Own's purpose.

The Rescue program rescues children in India from lives of slave labor, such as organized begging and the sex trade, through the Rescue program. Upon being rescued, children are provided lifelong nurture and care, including educational opportunities, as part of the Aftercare program.

The Prevention program prevents ongoing patterns and cycles of exploitation and enslavement.

The Capital Campaign works to redefine orphan care in India by creating a model facility with best practices in education, care, staffing and spiritual discipleship. This facility will be owned and managed by a strategic partner in India.

The Organization's programs are supported primarily by public donations.

Principles of consolidation:

The consolidated financial statements include the accounts of As Our Own, NFP and Aspire International, LLC collectively referred to as As Our Own, NFP (the Organization). The Organizations are under common ownership and control. All significant intercompany balances and transactions have been eliminated.

1. Summary of significant accounting policies (continued)

Basis of presentation:

The consolidated financial statement presentation follows Financial Accounting Standards Board (FASB) Accounting Standards Codification (the Codification) for *Financial Statements of Not-for-Profit Organizations*. Under the Codification, the Organization is required to report information regarding its financial position and activities in three classes of net assets: unrestricted, temporarily restricted and permanently restricted.

Unrestricted - Unrestricted net assets are available to finance the general operations of the Organization. The only limits on the use of unrestricted net assets are the broad limits resulting from the nature of the Organization, the environment in which it operates and the purposes specified in its articles of incorporation. Voluntary resolutions by the Board of Directors to designate a portion of the Organization's unrestricted net assets for specified purposes do not result in restricted funds.

Temporarily Restricted - Temporarily restricted net assets result (a) from contributions and other inflows of assets, the use of which by the Organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by action of the Organization pursuant to those stipulations, (b) from other asset enhancements and diminishments subject to the same kinds of stipulations and (c) from reclassifications to (or from) other classes of net assets as a consequence of donor-imposed stipulations, their expiration by passage of time or their fulfillment and removal by actions of the Organization pursuant to those stipulations. See Note 3.

Permanently Restricted - Permanently restricted net assets (generally referred to as endowment funds) are assets that have donor-imposed restrictions that stipulate that the contributed resources be maintained permanently, but permit the Organization to utilize or expend part or all of the income or other economic benefits derived from the donated assets. The Organization had no permanently restricted net assets as of September 30, 2013 and 2012.

Modified cash basis of accounting:

The Organization's policy is to prepare its consolidated financial statements on the modified cash basis of accounting. Therefore, certain revenues are recognized when cash is received rather than when an asset is earned and certain expenses are recognized when cash is disbursed rather than when the obligation is incurred. Consolidated financial statements prepared on the modified cash basis of accounting are not intended to be in accordance with generally accepted accounting principles.

1. Summary of significant accounting policies (continued)

Use of estimates:

The preparation of consolidated financial statements prepared substantially on the modified cash basis of accounting requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Reclassifications:

Certain accounts in the prior year financial statements have been reclassified to conform with the presentation in the current year consolidated financial statements.

Cash:

The Organization maintains its cash in bank deposit accounts at various institutions which, at times, may exceed federally-insured limits. The uninsured cash balance at September 30, 2013 was approximately $1,244,000. There was no uninsured cash balance at September 30, 2012. The Organization has not experienced any losses in such accounts. Management believes that the Organization is not exposed to any significant credit risk on cash.

Inventory:

Inventory consists of apparel items for sale to support the Organization's running initiative. The items are sold through the Organization's website. They are stated at the lower of cost (first-in, first-out basis) or market.

Property and equipment and related depreciation:

Equipment is recorded at cost less accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets. Donated items are recorded at fair value on the date of donation. Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expenses as incurred.

Allocated expenses:

Operating expenses are charged to the function that they are directly identified with. In the case that these expenses are identified with more than one functional area, they are allocated on the basis of ratios estimated by management.

1. Summary of significant accounting policies (continued)

Income taxes:

As Our Own, NFP is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code (the Code) and has been determined to be an organization that is not a private organization under Section 509(a) of the Code. Accordingly, no provision for income or excise tax has been made in the accompanying consolidated financial statements. The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ended 2010, 2011, 2012 and 2013 are subject to examination by the IRS, generally for three years after they were filed.

Aspire International, LLC elected to be organized as a Limited Liability Company under the provisions of the Code. Under these provisions, the sole member reports his proportionate share of taxable income on the member's individual income tax return.

Contributions:

The consolidated financial statement presentation follows the Codification for *Accounting for Contributions Received and Contributions Made*. Under the Codification, contributions received are recorded as unrestricted, temporarily restricted or permanently restricted support depending on the existence and/or nature of any donor restrictions. Temporarily restricted support is reclassified to unrestricted net assets upon satisfaction of the restriction. There were no permanently restricted contributions received for the years ended September 30, 2013 and 2012.

Contributed services and in-kind contributions:

As required by the Codification, the Organization recognizes the fair value of contributed services when the contributed services (a) create or enhance nonfinancial assets or (b) require specialized skills, are provided by individuals possessing those skills and would need to be purchased if not provided by donation.

The amount shown as contributed service revenue represented the estimated fair value of the services performed by outside accountants. The amount of such contributed service revenue was determined by the amount of costs for such services which would otherwise have to be paid to obtain them.

Accordingly, significant contributed services are included as both support revenue and corresponding management or program expense, with the specific costs detailed by the amount of expense which was donated. The Organization included as revenue and expense the donation of bookkeeping services of $6,960 for the year ended September 30, 2012.

1. Summary of significant accounting policies (continued)

Contributed services and in-kind contributions: (continued)

The Organization received a significant amount of donated services from unpaid volunteers who assist in fundraising, clerical and special projects. No amounts have been recognized in the consolidated statement of revenues and expenses because the criteria for recognition under the Codification for *Accounting for Contributions Received and Contributions Made* have not been satisfied.

Advertising costs:

Advertising is primarily used by the Organization to promote its activities and programs among donors and prospective donors. Advertising costs are expensed as incurred. The Organization's advertising costs totaled $37,021 and $27,587 for the years ended September 30, 2013 and 2012, respectively.

Shipping and handling costs:

Shipping and handling costs are generally charged to customers and have been included in revenue for the years ended September 30, 2013 and 2012. Shipping costs incurred by the Organization are recorded and allocated appropriately.

2. Property and equipment

Property and equipment consist of the following:

September 30,	**2013**	2012
Computer and equipment	**$ 4,013**	$ 1,996
Leasehold improvements	**17,551**	
Website development	**29,914**	29,914
	51,478	31,910
Less accumulated depreciation	**(14,720)**	(8,178)
Property and equipment, net	**$ 36,758**	$ 23,732

3. Temporarily restricted net assets

Temporarily restricted net assets are available for the following purposes or periods:

September 30,	**2013**	2012
Purpose restricted funds:		
Rescue		$ 26,248
Aftercare		27,211
Prevention	**$ 14,880**	58,616
Capital Campaign	**498,061**	82,887
Total temporarily restricted net assets	**$ 512,941**	$ 194,962

During the years ended September 30, 2013 and 2012, net assets were released from donor restrictions by incurring expenses that satisfy the purpose and time restrictions specified by donors as follows:

Years ended September 30,	**2013**	2012
Purpose restricted funds:		
Rescue	**$ 62,389**	$ 47,765
Aftercare	**140,207**	49,519
Prevention	**109,415**	106,671
Capital Campaign	**154,826**	23,114
Total net assets released from restrictions	**$ 466,837**	$ 227,069

4. Lease commitments

In July 2013, the Organization entered into a three-year lease agreement for office space in Houston, Texas. The lease commencement date was defined as October 4, 2013. As a condition of the lease, the Organization may extend the lease for a period of three years after the expiration date.

The following is a schedule of annual future minimum lease payments required under the lease:

Year ending September 30:	Amount
2014	$ 42,066
2015	42,925
2016	43,784
Total	$ 128,775

In addition to the above, the Organization must pay their share of operating expenses and taxes as defined by the lease agreement.

5. Designation of unrestricted net assets

It is the policy of the Board of Directors of the Organization to review its plans for future projects and to designate appropriate sums of unrestricted net assets to ensure adequate financing of such projects. As of September 30, 2013, the Board designated $150,000 of unrestricted net assets for future strategic growth projects.

6. Donor concentration

One donor accounted for 23% of total support for the year ended September 30, 2013.

7. Subsequent events

Management of the Organization has reviewed and evaluated subsequent events from September 30, 2013, the consolidated financial statement date, through December 11, 2013, the date the consolidated financial statements were available to be issued. No events have occurred in this period that would be required to be recognized and/or disclosed in these consolidated financial statements as required by the modified cash basis of accounting.