AS OUR OWN, NFP

YEAR ENDED SEPTEMBER 30, 2014

AS OUR OWN, NFP

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ORBA® OSTROW REISIN BERK & ABRAMS LTD.
CERTIFIED PUBLIC ACCOUNTANTS

Independent Auditor's Report

Board of Directors
As Our Own, NFP
Chicago, Illinois

We have audited the accompanying consolidated financial statements of As Our Own, NFP and Aspire International, LLC, collectively referred to As Our Own, NFP (the Organization), which comprise the consolidated statement of financial position as of September 30, 2014 and the related consolidated statements of activities, functional expenses and cash flows 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 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 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.

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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 As Our Own, NFP as of September 30, 2014 and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Ostrow Reisin Berk & Abrams, Ltd.

June 1, 2015

AS OUR OWN, NFP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

September 30, 2014	Unrestricted	Temporarily restricted	Total
ASSETS			
Cash and cash equivalents:			
Unrestricted	$ 415,241	$ 1,290,281	$ 1,705,522
Unrestricted, Board-designated (Note 9)	300,000		300,000
Promises receivable (Note 4)		125,000	125,000
Inventory	2,573		2,573
Other assets	14,179		14,179
Assets held for fundraising purposes		47,892	47,892
Property and equipment, net (Note 5)	113,632		113,632
Total assets	$ 845,625	$ 1,463,173	$ 2,308,798
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable and accrued expenses	$ 28,521		$ 28,521
Net assets, including $300,000 designated by the Board (Notes 6 and 9)	817,104	$ 1,463,173	2,280,277
Total liabilities and net assets	$ 845,625	$ 1,463,173	$ 2,308,798

See notes to consolidated financial statements.

AS OUR OWN, NFP

CONSOLIDATED STATEMENT OF ACTIVITIES

Year ended September 30, 2014	Unrestricted	Temporarily restricted	Total
Revenues and support:			
Rescue		$ 18,842	$ 18,842
Aftercare		64,987	64,987
Prevention		39,117	39,117
Capital Campaign		1,007,833	1,007,833
Contributions	$ 1,182,464		1,182,464
Merchandising	2,169		2,169
Non-cash contributions		122,610	122,610
Interest income	2,128		2,128
Total revenues and support	1,186,761	1,253,389	2,440,150
Net assets released from restrictions	559,191	(559,191)	
Total revenues and other support	1,745,952	694,198	2,440,150
Expenses:			
Program services	1,328,667		1,328,667
Management and general	185,856		185,856
Fundraising and development	416,617		416,617
Total expenses	1,931,140		1,931,140
Change in net assets	(185,188)	694,198	509,010
Net assets:			
Beginning of year, as previously reported	1,006,754	512,941	1,519,695
Prior period adjustment	(4,462)	256,034	251,572
Balance, beginning of year, as restated	1,002,292	768,975	1,771,267
Balance, end of year	$ 817,104	$ 1,463,173	$ 2,280,277

See notes to consolidated financial statements.

AS OUR OWN, NFP

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES

Year ended September 30, 2014	Program Services					Fundraising	
				Program	Management	and	
	Rescue	Aftercare	Prevention	Total	and general	development	Total
Advertising	$ 4,268	$ 11,208	$ 4,268	$ 19,744	$ 4,427	$ 16,225	$ 40,396
Bank service charges	208	624	208	1,040	5,813	11,035	17,888
Communications expense	5,082	5,082	5,082	15,246	8,273	9,846	33,365
Compensation and payroll taxes	85,455	85,455	85,455	256,365	59,416	172,471	488,252
Depreciation and amortization	3,721	3,721	3,721	11,163	4,448	12,069	27,680
Dues and subscriptions					2,221	2,925	5,146
Employee benefits	3,442	3,442	3,442	10,326	2,632	5,104	18,062
Insurance	1,833	1,833	1,833	5,499	5,435		10,934
Meetings and seminars					6,234	500	6,734
Miscellaneous expense						5,189	5,189
Office	1,643	1,643	1,643	4,929	1,970	2,646	9,545
Professional fees		15,241		15,241	63,101	79,664	158,006
Program grants	183,428	473,281	206,489	863,198			863,198
Promotional merchandise						2,168	2,168
Rent	7,973	7,973	7,973	23,919	9,389	12,537	45,845
Shipping and postage						8,649	8,649
Stationary and printing	2,441	3,854	2,441	8,736	706	18,442	27,884
Supplies	371	371	371	1,113	445	599	2,157
Taxes and licenses					885	8	893
Telephone	1,723	2,482	1,723	5,928	2,370	3,373	11,671
Travel:							
Domestic	2,353	7,092	2,353	11,798	2,775	46,955	61,528
International	18,606	37,210	18,606	74,422	4,770		79,192
Website fees					546	6,212	6,758
Total functional expenses	$ 322,547	$ 660,512	$ 345,608	$ 1,328,667	$ 185,856	$ 416,617	$ 1,931,140

See notes to consolidated financial statements.

AS OUR OWN, NFP

CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended September 30, 2014	
Cash flows from operating activities:	
Change in net assets	$ 509,010
Adjustments to reconcile change in net assets to cash provided by operating activities:	
Depreciation and amortization	27,680
Donated fundraising assets included in non-cash contributions	(47,892)
Decrease in operating assets:	
Promises receivable	43,500
Inventory	1,203
Other assets	83,915
Increase in operating liability:	
Accounts payable	2,520
Cash provided by operating activities	619,936
Cash flows from investing activity:	
Acquisition of property and equipment	(104,554)
Cash used in investing activity	(104,554)
Increase in cash and cash equivalents	515,382
Cash and cash equivalents, beginning of year	1,490,140
Cash and cash equivalents, end of year	$ 2,005,522

See notes to consolidated financial statements.

1. Nature of activities

Nature of organization:

As Our Own, NFP is an Illinois not-for-profit corporation, incorporated in April 2006 and is organized exclusively for religious, charitable and educational purposes. Aspire International, LLC is an Indiana limited liability company, formed in May 2013 as a wholly-owned subsidiary of As Our Own, NFP and organized for the sole purpose of directing grants from As Our Own, NFP to qualified charitable organizations in India. Collectively, these companies are referred to As Our Own, NFP (the Organization) in these consolidated financial statements. Currently, the Organization operates primarily from Houston, Texas.

Program activities:

The Organization's program goals are mainly achieved by making grants to qualified charitable organizations in India with similar charitable missions. The Organization's programs are supported primarily through public donations.

The program activities of the Organization include the following:

- *Rescue* is a community-driven movement in India that rescues vulnerable children from certain enslavement and exploration, caring for them as our own.
- *Aftercare* is a dedicated lifelong aftercare for each rescued child.
- *Prevention* is an investment in communities to equip and empower their leaders to transform society from the inside out.

2. Summary of significant accounting policies

Changes in reporting framework:

As of October 1, 2013, the Organization switched from modified-cash method of accounting to accrual method of accounting to fully comply with U.S. GAAP reporting requirements. As a result of this change, the Organization restated its beginning of the year net assets in the Consolidated Statement of Activities as follows:

Year ended September 30, 2014	As previously reported	Prior period adjustment	As restated
Unrestricted net assets, beginning of year	$ 1,006,754	$ (4,462)	$ 1,002,292
Temporarily restricted net assets, beginning of year	512,941	256,034	768,975
Total	$ 1,519,695	$ 251,572	$ 1,771,267

Use of estimates:

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP) requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Principles of consolidation:

These consolidated financial statements include the accounts of As Our Own, NFP and its wholly-owned subsidiary, Aspire International, LLC. Material intercompany balances and transactions have been eliminated.

2. Summary of significant accounting policies (continued)

Basis of presentation:

The Organization reports information regarding its consolidated financial position and consolidated activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. These classes of net assets are based on the existence or absence of externally (donor) imposed restrictions. Accordingly, net assets of the Organization and changes therein are classified as follows:

Unrestricted - Unrestricted net assets are not subject to donor imposed stipulations. They include all activities of the Organization except for amounts that are temporarily or permanently restricted. 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.

Temporarily Restricted - Temporarily restricted net assets are subject to donor imposed stipulations that can be removed through the passage of time (time restrictions) or actions of the Organization (purpose restrictions).

Permanently Restricted - Permanently restricted net assets are subject to the restrictions imposed by donors who require that the principal in these classes of net assets be invested in perpetuity and only the investment income be expended. The Organization had no permanently restricted net assets as of September 30, 2014.

Cash and cash equivalents:

The Organization considers cash in checking and savings accounts to be cash and cash equivalents.

Contributions and promises to give:

Contributions are recognized when a donor makes a promise to give to the Organization that is, in substance, unconditional. Donor-restricted contributions are reported as increases in temporarily or permanently restricted net assets, depending on the nature of the restrictions. Temporarily restricted support is reclassified to unrestricted net assets upon satisfaction of the restriction.

2. Summary of significant accounting policies (continued)

Contributions and promises to give: (continued)

The Organization uses the allowance method to determine uncollectible promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. As of September 30, 2014, the Organization has determined that all promises receivable were fully collectible.

Multi-year promises to give are measured at the net present value of future cash flows. As of September 30, 2014, the discount on multi-year promises receivable was not significant.

Donated goods and services:

The Organization received a significant amount of donated services from unpaid volunteers who assist in fundraising, clerical and special projects. These donated services are not reflected in the consolidated financial statements since the services do not meet the criteria for recognition under U.S. GAAP.

Contributions of donated services that create or enhance nonfinancial 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.

Contributions of donated non-cash assets are recorded at their fair values in the period received. The Organization reports these gifts as unrestricted support, unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support.

Property and equipment and related depreciation:

Purchased property and equipment is recorded at historical cost. Donated property and equipment is recorded at its fair value as of the date of the donation. The Organization capitalizes property and equipment additions over $500 having useful life of more than one year. Depreciation is computed using the straight-line method over the estimated useful lives of the assets. Maintenance and repairs, which neither materially add to the value of the property nor appreciably prolong its life, are charged to expenses as incurred.

2. Summary of significant accounting policies (continued)

Allocated expenses:

Expenses are charged to their functional category 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.

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 $40,396 for the year ended September 30, 2014.

Income taxes:

As Our Own, NFP is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service (IRS) as other than a private foundation. Aspire International, LLC is considered a disregarded entity for income tax purposes and does not file its own income tax returns.

U.S. GAAP requires the Organization's management to evaluate tax positions taken by the Organization and recognize a tax liability if the Organization has taken an uncertain tax position that more likely than not would not be sustained upon examination by the taxing authorities. The Organization's information returns are subject to examination by the IRS, generally for three years after they were filed. Management believes that the Organization is no longer subject to income tax examinations by taxing authorities for years ended prior to September 30, 2011.

3. Capital campaign

The Organization is in the middle of a multi-year Capital Campaign that is aimed to redefine orphan care in India by creating a model facility with best practices in education, care, staffing and spiritual leadership. This facility will be owned and managed by a strategic partner in India. During the year, the Organization has raised $1,007,833 towards the Capital Campaign, of which $318,259 was spent as of September 30, 2014.

4. Promises to give

Unconditional promises to give are included in the consolidated financial statements as receivables and revenues of the appropriate net asset category. As of September 30, 2014, all promises receivable were restricted for Capital Campaign.

Promises receivable consist of the following:

September 30, 2014		
Due within one year	$	75,000
Due between two and five years		50,000
		125,000
Allowance for uncollectible promises		
Present value discount		
Net promises to give	$	125,000

5. Property and equipment

Property and equipment consists of the following:

September 30, 2014		
Computer and equipment	$	19,943
Furniture and fixtures		62,675
Leasehold improvements		43,500
Website development		29,914
		156,032
Less accumulated depreciation and amortization		42,400
Property and equipment, net	$	113,632

6. Temporarily restricted net assets

Temporarily restricted net assets of the Organization were available for the following purposes:

September 30, 2014		
Purpose restricted funds:		
Fundraising event	$	107,037
Capital Campaign		1,356,136
Total temporarily restricted net assets	$	1,463,173

Temporarily restricted net assets released from restrictions were as follows:

Year ended September 30, 2014		
Purpose restricted funds:		
Rescue	$	40,767
Aftercare		120,017
Prevention		64,575
Fundraising event		15,573
Capital Campaign		318,259
Total net assets released from restrictions	$	559,191

7. Fundraising event

During the year, the Organization received an in-kind contribution of assets and a payment for professional services to host a fundraising event. Such assets consisted of a boat and boat accessories that were periodically raffled off during the year and during subsequent period from October 2014 through January 2015. The Organization recognized $15,573 in in-kind professional fees in its consolidated statement of activities for the year ended September 30, 2014. In accordance with U.S. GAAP, the Organization recorded donated assets at their fair value on the date of the gift and then subsequently adjusted non-cash contribution amount to cash proceeds raised from the fundraiser. In January 2015, the Organization completed its fundraiser and disbursed all donated assets to their respective recipients.

8. 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
2015	$ 42,925
2016	43,784
Total	$ 86,709

In addition to base rent, the Organization pays their share of operating expenses and taxes as defined by the lease agreement. Rent expense was $45,845 for the year ended September 30, 2014.

9. Endowment funds

As of September 30, 2014, the governing board of the Organization had designated $300,000 of unrestricted net assets as a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as unrestricted net assets. It is the policy of the governing board of the Organization to review its plans for its future projects and to designate an appropriate sum of unrestricted net assets to ensure that adequate future funds are available.

The Organization has adopted investment and spending policies for the endowment assets that attempt to provide accumulation and preservation of these assets until they are appropriated for expenditure. Currently, these funds are invested in a bank savings account and are classified as cash equivalents. The governing board of the Organization appropriates funds for expenditure as needed.

9. Endowment funds (continued)

Composition of and changes in endowment net assets were as follows:

Year ended September 30, 2014		
Board-designated endowment net assets, beginning of year	$	150,000
Contributions		150,000
Board-designated endowment net assets, end of year	$	300,000

10. Concentrations of risk

One donor accounted for 16% of total support for the year ended September 30, 2014. A separate donor accounted for 80% of total promises receivable as of September 30, 2014.

The Organization maintains its deposit accounts at a single financial institution. Uninsured balances were approximately $1,756,000 at September 30, 2014. The Organization has not experienced any losses in such accounts. Management believes that the Organization was not exposed to any significant credit risks on these deposits as of September 30, 2014.

11. Retirement plan

During the year, the Organization has established a 401(k) retirement plan. The plan covers all employees who have attained a stated period of service. Participants can contribute a percentage of their compensation to the plan and receive a 100% matching employer contribution on first 3% of their contributions and additional 50% matching employer contribution on contributions ranging from 3% to 5%. Participants are also eligible for discretionary employer matching and profit-sharing contributions. The Organization made $3,160 in matching contributions for the year ended September 30, 2014. No discretionary employer matching or profit-sharing contributions were declared as of September 30, 2014.

12. Subsequent events

Management of the Organization has reviewed and evaluated subsequent events from September 30, 2014, the consolidated financial statement date, through June 1, 2015, the date the consolidated financial statements were available to be issued. Except as noted in Note 7, 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 U.S. GAAP.