AS OUR OWN, NFP

YEARS ENDED SEPTEMBER 30, 2015 AND 2014

AS OUR OWN, NFP

YEARS ENDED SEPTEMBER 30, 2015 AND 2014

CONTENTS

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 September 30, 2015 and 2014 and the related consolidated statements of activities, 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 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
Independent Affiliate of BKR International

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, 2015 and 2014 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Ostrow Reisin Berk & Abrams, Ltd.

April 29, 2016

AS OUR OWN, NFP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

September 30, 2015	Unrestricted	Temporarily restricted	Total
ASSETS			
Cash	$ 416,443	$ 778,350	$ 1,194,793
Promises receivable (Note 4)		150,000	150,000
Prepaid expenses	15,763		15,763
Other assets	3,506		3,506
Property and equipment, net (Note 5)	88,177		88,177
Total assets	$ 523,889	$ 928,350	$ 1,452,239
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable and accrued expenses	$ 29,562		$ 29,562
Net assets (Note 6)	494,327	$ 928,350	1,422,677
Total liabilities and net assets	$ 523,889	$ 928,350	$ 1,452,239

See notes to consolidated financial statements.

AS OUR OWN, NFP

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (CONTINUED)

September 30, 2014	Unrestricted	Temporarily restricted	Total
ASSETS			
Cash:			
Cash	$ 415,241	$ 1,290,281	$ 1,705,522
Cash, board-designated (Note 9)	300,000		300,000
Promises receivable (Note 4)		125,000	125,000
Inventory	2,573		2,573
Prepaid expenses	10,673		10,673
Other assets	3,506		3,506
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, 2015	Unrestricted	Temporarily restricted	Total
Revenues and support:			
Care		$ 55,166	$ 55,166
Training		6,958	6,958
Replication		6,083	6,083
Capital Campaign		453,098	453,098
Contributions	$ 1,171,008	31,256	1,202,264
Merchandising	140		140
Interest income	1,963		1,963
Total revenues and support	1,173,111	552,561	1,725,672
Net assets released from restrictions	1,087,384	(1,087,384)	
Total revenues and other support	2,260,495	(534,823)	1,725,672
Expenses:			
Program services	1,783,024		1,783,024
Management and general	312,249		312,249
Fundraising and development	487,999		487,999
Total expenses	2,583,272		2,583,272
Change in net assets	(322,777)	(534,823)	(857,600)
Net assets:			
Balance, beginning of year	817,104	1,463,173	2,280,277
Balance, end of year	$ 494,327	$ 928,350	$ 1,422,677

See notes to consolidated financial statements.

AS OUR OWN, NFP

CONSOLIDATED STATEMENT OF ACTIVITIES (CONTINUED)

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:			
Balance, beginning of year	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, 2015	Program Services					Fundraising	
	Care	Training	Replication	Program Total	Management and general	and development	Total
Advertising	$ 434	$ 56	$ 56	$ 546	$ 2,831	$ 15,728	$ 19,105
Bank and merchant service charges	1,152	246	248	1,646	17,060		18,706
Compensation and payroll taxes	127,316	66,961	75,082	269,359	126,224	263,133	658,716
Depreciation and amortization	4,930	2,559	2,815	10,304	8,818	16,617	35,739
Dues and subscriptions					4,254	5,473	9,727
Employee benefits	13,118	7,336	7,855	28,309	22,398	24,714	75,421
Insurance					7,496		7,496
Meetings and seminars	132	1,347	50	1,529	3,658	3,426	8,613
Miscellaneous expense	1,070			1,070	1,130	2,666	4,866
Office	2,450	1,786	1,116	5,352	3,435	4,832	13,619
Professional fees	10,916	1,500	3,000	15,416	93,021	70,533	178,970
Program grants	947,467	202,272	204,192	1,353,931			1,353,931
Promotional merchandise						2,573	2,573
Rent	7,122	3,697	4,067	14,886	12,738	15,363	42,987
Shipping and postage	29	19	20	68	546	4,556	5,170
Staff development	442	2,253	81	2,776	1,318	53	4,147
Stationary and printing	650	650	650	1,950	1,457	12,481	15,888
Telephone	1,731	1,434	1,279	4,444	1,519	2,641	8,604
Travel:							
Domestic	6,057	6,975	3,969	17,001	4,196	41,411	62,608
International	35,361	11,098	7,978	54,437		1,005	55,442
Website fees					150	794	944
Total functional expenses	$ 1,160,377	$ 310,189	$ 312,458	$ 1,783,024	$ 312,249	$ 487,999	$ 2,583,272

See notes to consolidated financial statements.

AS OUR OWN, NFP

CONSOLIDATED STATEMENT OF FUNCTIONAL EXPENSES (CONTINUED)

Year ended September 30, 2014	Program Services					Fundraising	
	Rescue	Aftercare	Prevention	Program Total	Management and general	and development	Total
Advertising	$ 4,268	$ 11,208	$ 4,268	$ 19,744	$ 4,427	$ 16,225	$ 40,396
Bank and merchant 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

Years ended September 30,	**2015**	2014
Cash flows from operating activities:		
Change in net assets	**$ (857,600)**	$ 509,010
Adjustments to reconcile change in net assets to cash provided by (used in) operating activities:		
Depreciation and amortization	**35,739**	27,680
Donated fundraising assets included in non-cash contributions		(47,892)
(Increase) decrease in operating assets:		
Promises receivable	**(25,000)**	43,500
Inventory	**2,573**	1,203
Prepaid expenses	**(5,090)**	87,421
Other assets		(3,506)
Assets held for fundraising purposes	**47,892**	
Increase in operating liability:		
Accounts payable	**1,041**	2,520
Cash provided by (used in) operating activities	**(800,445)**	619,936
Cash flows from investing activity:		
Acquisition of property and equipment	**(10,284)**	(104,554)
Cash used in investing activity	**(10,284)**	(104,554)
Increase (decrease) in cash	**(810,729)**	515,382
Cash, beginning of year	**2,005,522**	1,490,140
Cash, end of year	**$ 1,194,793**	$ 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.

As of September 30, 2014, the program activities of the Organization included 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.

During the year ended September 30, 2015, the Organization restructured its program activities to include the following:

- *Care* – provide vulnerable children a lifelong family, an identity as our daughter and as daughters of a loving Father and to provide a high quality education through college to empower them to fulfill their God-given purpose.
- *Training* – equip and disciple India's next generation of leaders and caregivers through the Hope College Child Development Institute, which offers a Master's degree in Biblically-based and clinically-sound child development.
- *Replication* – empower, mentor and equip other organizations to elevate the quality of care in their group homes and replicate the As Our Own model.

2. Summary of significant accounting policies

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.

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, 2015 and 2014.

2. Summary of significant accounting policies (continued)

Cash and cash equivalents:

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

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.

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, 2015 and 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, 2015 and 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.

2. Summary of significant accounting policies (continued)

Property and equipment and related depreciation and amortization:

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. Amortization of leasehold improvements is provided over the lesser of the estimated life of the asset or the remaining lease term using the straight-line method. 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:

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 $19,105 and $40,396 for the years ended September 30, 2015 and 2014, respectively.

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.

Reclassifications:

Reclassifications have been made to prior year balances and disclosures to conform to the current year's presentation.

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. For the years ended September 30, 2015 and 2014, the Organization has raised $453,098 and $1,007,833, respectively, towards the Capital Campaign, of which $893,664 and $318,259 was spent during the years ended September 30, 2015 and 2014, respectively and reported as program grants in the accompanying consolidated statement of activities.

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, 2015 and 2014, all promises receivable were restricted for Capital Campaign.

Promises receivable consist of the following:

September 30,	**2015**	2014
Due within one year	**$ 100,000**	$ 75,000
Due between two and five years	**50,000**	50,000
Net promises to give	**$ 150,000**	$ 125,000

5. Property and equipment

Property and equipment consists of the following:

September 30,	**2015**	2014
Computer and equipment	**$ 27,482**	$ 19,943
Furniture and fixtures	**65,420**	62,675
Leasehold improvements	**43,500**	43,500
Website development	**29,914**	29,914
	166,316	156,032
Less accumulated depreciation and amortization	**78,139**	42,400
Property and equipment, net	**$ 88,177**	$ 113,632

6. Temporarily restricted net assets

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

September 30,	**2015**	2014
Purpose restricted funds:		
Fundraising event		$ 107,037
Capital Campaign	**$ 928,350**	1,356,136
Total temporarily restricted net assets	**$ 928,350**	$ 1,463,173

Temporarily restricted net assets released from restrictions were as follows:

Years ended September 30,	**2015**	2014
Purpose restricted funds:		
Care	**$ 55,166**	
Training	**6,958**	
Replication	**6,083**	
Salary support	**13,056**	
India donor experience	**18,200**	
Rescue		$ 40,767
Aftercare		120,017
Prevention		64,575
Fundraising event	**107,037**	15,573
Capital Campaign	**880,884**	318,259
Total net assets released from restrictions	**$ 1,087,384**	$ 559,191

7. Fundraising event

During the year ended September 31, 2014, 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 that year and during subsequent period from October 2014 through January 2015. The Organization recognized $107,037 in revenue and $15,573 in in-kind professional fees expense 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 payment required under the lease:

Year ending September 30:	Amount
2016	$ 43,784

In addition to base rent, the Organization pays their share of operating expenses and taxes as defined by the lease agreement. Rent expense was $42,987 and $45,845 for the years ended September 30, 2015 and 2014, respectively.

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. As of September 30, 2015, the governing Board of the Organization had removed the previous designation and transferred $300,000 out of the general endowment fund. 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.

9. Endowment funds (continued)

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. As of September 30, 2014, these funds were invested in a bank savings account and were classified as cash.

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

Years ended September 30,		**2015**		2014
Board-designated endowment net assets, beginning of year	**$**	**300,000**	$	150,000
Contributions				150,000
Transfer to remove assets from board-designated endowment funds		**(300,000)**		
Board-designated endowment net assets, end of year	**$**	**-**	$	300,000

10. Concentrations of risk

Two donors accounted for 83% of total promises receivable as of September 30, 2015. 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 $939,000 and $1,756,000 at September 30, 2015 and 2014, respectively. 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, 2015 and 2014.

11. Retirement plan

During the year ended September 30, 2014, 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 $24,987 and $3,160 in matching contributions for the years ended September 30, 2015 and 2014, respectively. No discretionary employer matching or profit-sharing contributions were declared as of September 30, 2015 and 2014.

12. Subsequent events

Management of the Organization has reviewed and evaluated subsequent events from September 30, 2015, the consolidated financial statement date, through April 29, 2016, 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 U.S. GAAP.