AS OUR OWN, NFP
AND SUBSIDIARY

CONSOLIDATED FINANCIAL STATEMENTS

YEARS ENDED SEPTEMBER 30, 2018 AND 2017

AS OUR OWN, NFP AND SUBSIDIARY

YEARS ENDED SEPTEMBER 30, 2018 AND 2017

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Independent Auditors' Report

Board of Directors
As Our Own, NFP

We have audited the accompanying consolidated financial statements of As Our Own, NFP and Aspire International, LLC, collectively referred to as the Organization, which comprise the consolidated statements of financial position as September 30, 2018 and 2017, 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.

Auditors' 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of September 30, 2018 and 2017, and the changes in their net assets and their 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.

January 31, 2019

AS OUR OWN, NFP AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

September 30, 2018	Unrestricted	Temporarily restricted	Total
ASSETS			
Cash	$ 843,453	$ 80,890	$ 924,343
Promises receivable	12,500	50,000	62,500
Prepaid expenses	10,768		10,768
Other assets	3,693		3,693
Property and equipment, net	26,442		26,442
Total assets	$ 896,856	$ 130,890	$ 1,027,746
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable and accrued expenses	$ 18,345		$ 18,345
Net assets	878,511	$ 130,890	1,009,401
Total liabilities and net assets	$ 896,856	$ 130,890	$ 1,027,746

See notes to consolidated financial statements.

AS OUR OWN, NFP AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION (CONTINUED)

September 30, 2017	Unrestricted	Temporarily restricted	Total
ASSETS			
Cash	$ 648,323		$ 648,323
Promises receivable		$ 50,000	50,000
Prepaid expenses	15,883		15,883
Other assets	3,506		3,506
Property and equipment, net	40,411		40,411
Total assets	$ 708,123	$ 50,000	$ 758,123
LIABILITIES AND NET ASSETS			
Liabilities:			
Accounts payable and accrued expenses	$ 22,761		$ 22,761
Net assets	685,362	$ 50,000	735,362
Total liabilities and net assets	$ 708,123	$ 50,000	$ 758,123

See notes to consolidated financial statements.

AS OUR OWN, NFP AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES

Year ended September 30, 2018	Unrestricted	Temporarily restricted	Total
Revenues and support:			
Contributions	$ 1,903,959	$ 13,390	$ 1,917,349
Capital Campaign		500,000	500,000
Care		7,693	7,693
Other income	1,992		1,992
Net assets released from restrictions	440,193	(440,193)	
Total revenues and support	2,346,144	80,890	2,427,034
Expenses:			
Program services	1,507,442		1,507,442
Management and general	260,757		260,757
Fundraising and development	384,796		384,796
Total expenses	2,152,995		2,152,995
Change in net assets	193,149	80,890	274,039
Net assets:			
Balance, beginning of year	685,362	50,000	735,362
Balance, end of year	$ 878,511	$ 130,890	$ 1,009,401

See notes to consolidated financial statements.

AS OUR OWN, NFP AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF ACTIVITIES (CONTINUED)

Year ended September 30, 2017	Unrestricted	Temporarily restricted	Total
Revenues and support:			
Contributions	$ 1,863,408	$ 40,700	$ 1,904,108
Capital Campaign		168,515	168,515
Care		16,820	16,820
Other income	577		577
Training		50	50
Replication		50	50
Net assets released from restrictions	356,675	(356,675)	
Total revenues and support	2,220,660	(130,540)	2,090,120
Expenses:			
Program services	1,620,238		1,620,238
Management and general	228,038		228,038
Fundraising and development	279,832		279,832
Total expenses	2,128,108		2,128,108
Change in net assets	92,552	(130,540)	(37,988)
Net assets:			
Balance, beginning of year	592,810	180,540	773,350
Balance, end of year	$ 685,362	$ 50,000	$ 735,362

See notes to consolidated financial statements.

AS OUR OWN, NFP AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

Year ended September 30, 2018	Program Services					Fundraising	
				Program	Management	and	
	Care	Training	Replication	Total	and general	development	Total
Program grants	$ 751,496	$ 185,267	$ 165,205	$ 1,101,968			$ 1,101,968
Compensation and payroll taxes	140,504	37,722	51,166	229,392	$ 157,152	$ 194,483	581,027
Professional fees	32,624	6,900	7,800	47,324	30,487	33,000	110,811
Employee benefits	12,921	3,465	4,742	21,128	21,595	18,140	60,863
Rent	13,657	3,918	5,378	22,953	7,214	15,739	45,906
Advertising					72	43,112	43,184
Program - US college	39,723			39,723			39,723
Travel:							
Domestic	8,706			8,706	2,163	21,876	32,745
International	15,408			15,408		6,164	21,572
Office	5,409	1,551	2,128	9,088	3,051	8,821	20,960
Bank and merchant service charges					17,777		17,777
Meetings and seminars	687			687	3,408	12,205	16,300
Depreciation and amortization	3,870	644	1,004	5,518	5,003	4,278	14,799
Stationary and printing						14,066	14,066
Telephone	2,637	735	1,009	4,381	1,354	2,954	8,689
Shipping and postage					92	6,857	6,949
Insurance					5,854		5,854
Staff development					2,808	25	2,833
Website fees					125	2,261	2,386
Dues and subscriptions					2,371		2,371
Miscellaneous expense	1,166			1,166	231	815	2,212
Total functional expenses	$ 1,028,808	$ 240,202	$ 238,432	$ 1,507,442	$ 260,757	$ 384,796	$ 2,152,995

See notes to consolidated financial statements.

AS OUR OWN, NFP AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES (CONTINUED)

Year ended September 30, 2017	Program Services					Fundraising	
				Program	Management	and	
	Care	Training	Replication	Total	and general	development	Total
Program grants	$ 756,197	$ 188,715	$ 214,387	$ 1,159,299			$ 1,159,299
Compensation and payroll taxes	156,969	54,711	48,630	260,310	$ 116,412	$ 179,565	556,287
Travel:							
International	42,358	20,124	16,491	78,973	1,231	4,361	84,565
Domestic	1,010	1,744	1,277	4,031	815	12,131	16,977
Professional fees	20,613	6,838	7,050	34,501	32,342	16,250	83,093
Employee benefits	14,805	6,848	7,122	28,775	17,369	15,346	61,490
Rent	13,470	3,415	3,817	20,702	14,586	12,445	47,733
Miscellaneous expense	13,261	1,284	1,148	15,693	265	2,689	18,647
Bank and merchant service charges					16,336		16,336
Depreciation and amortization	4,170	1,015	1,382	6,567	4,016	4,939	15,522
Office	4,175	1,085	1,168	6,428	4,555	4,050	15,033
Stationary and printing	129			129	71	11,595	11,795
Telephone	2,697	927	764	4,388	2,920	2,492	9,800
Meetings and seminars	427			427	6,567	2,425	9,419
Advertising						6,762	6,762
Insurance					6,646		6,646
Shipping and postage	15			15	272	4,782	5,069
Dues and subscriptions					1,907		1,907
Website fees					1,157		1,157
Staff development					571		571
Total functional expenses	$ 1,030,296	$ 286,706	$ 303,236	$ 1,620,238	$ 228,038	$ 279,832	$ 2,128,108

See notes to consolidated financial statements.

AS OUR OWN, NFP AND SUBSIDIARY

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years ended September 30,		2018		2017
Cash flows from operating activities:				
Change in net assets	$	274,039	$	(37,988)
Adjustments to reconcile change in net assets to net cash provided by operating activities:				
Depreciation and amortization		14,799		15,522
(Increase) decrease in operating assets:				
Promises receivable		(12,500)		75,000
Prepaid expenses		5,115		(1,367)
Other assets		(187)		1,134
Decrease in operating liabilities:				
Accounts payable and accrued expenses		(4,416)		(11,120)
Net cash provided by operating activities		276,850		41,181
Cash flows from investing activity:				
Acquisition of property and equipment		(830)		(2,078)
Net cash used in investing activity		(830)		(2,078)
Net increase in cash		276,020		39,103
Cash, beginning of year		648,323		609,220
Cash, end of year	$	924,343	$	648,323

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, 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 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:

- *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 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

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, 2018 and 2017.

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 determines the allowance based on prior years' experience and management's analysis of specific promises made. As of September 30, 2018 and 2017, the Organization has determined that all promises receivable were fully collectible.

2. Summary of significant accounting policies (continued)

Donated goods and services:

The Organization receives 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.

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 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 a 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 expensed as incurred.

Allocated expenses:

Expenses are charged to the functional category with which they are directly identified. 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 $43,184 and $6,762 for the years ended September 30, 2018 and 2017, respectively.

2. Summary of significant accounting policies (continued)

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 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.

The Organization has adopted the requirements for accounting for uncertain tax positions and management has determined that the Organization was not required to record a liability related to uncertain tax positions as of September 30, 2018 and 2017.

Use of estimates:

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

Subsequent events:

Management of the Organization has reviewed and evaluated subsequent events from September 30, 2018, the consolidated financial statement date, through January 31, 2019, the date the consolidated financial statements were available to be issued.

3. Capital Campaign

The Organization is in the middle of a multi-year Capital Campaign that is aimed at redefining orphan care in India by creating a model facility with best practices in education, care, staffing and leadership. This facility will be owned and managed by a strategic partner in India. For the years ended September 30, 2018 and 2017, the Organization has raised $500,000 and $168,515, respectively, towards the Capital Campaign.

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. All receivables are due within one year.

5. Property and equipment

Property and equipment consist of the following:

September 30,	2018	2017
Computer and equipment	$ 27,577	$ 28,192
Furniture and fixtures	65,420	65,420
Leasehold improvements	43,500	43,500
Website development	29,914	29,914
	166,411	167,026
Less accumulated depreciation and amortization	139,969	126,615
Property and equipment, net	$ 26,442	$ 40,411

6. Temporarily restricted net assets

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

September 30,	2018	2017
Purpose restricted fund:		
Capital Campaign	$ 130,890	$ 50,000

Temporarily restricted net assets released from restrictions were as follows:

Years ended September 30,	2018	2017
Purpose restricted funds:		
Care	$ 7,693	$ 16,820
Training		50
Replication		50
Salary support	13,390	13,850
India donor experience		26,850
Capital Campaign	419,110	299,055
Total net assets released from restrictions	$ 440,193	$ 356,675

7. Lease commitments

In July 2013, the Organization entered into a lease agreement for office space in Houston, Texas through August 31, 2018. In July 2018, the Organization extended this lease for an additional 39-month period through November 30, 2021. Future minimum payments under this lease are as follows:

Year ending September 30:	Amount
2019	$ 21,463
2020	26,470
2021	27,329
2022	4,579
Total	$ 79,841

In addition to base rent, the Organization pays their share of operating expenses and taxes as defined by the lease agreement. Rent expense was $45,906 and $47,733 for the years ended September 30, 2018 and 2017, respectively.

8. Concentrations of risk

One donor accounted for 16% of total support for the year ended September 30, 2018 and one donor accounted for 24% of total support for the year ended September 30, 2017. One donor accounted for 80% and 100% of total promises receivable as of September 30, 2018 and 2017, respectively.

The Organization maintains its deposit accounts at a single financial institution. Uninsured balances were approximately $662,000 and $387,000 at September 30, 2018 and 2017, respectively. Management believes that the Organization was not exposed to any significant credit risks on these deposits as of September 30, 2018 and 2017.

9. Retirement plan

The Organization has established and sponsors a 401(k) retirement plan for its employees. 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 the first 3% of their contributions and an 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 $24,537 and $23,578 in matching contributions for the years ended September 30, 2018 and 2017, respectively. No discretionary employer matching or profit-sharing contributions were declared as of September 30, 2018 and 2017.