



CONSOLIDATED FINANCIAL STATEMENTS
With Independent Auditors' Report

March 31, 2015 (Audited) and 2014 (Reviewed)

SERVENOW AND AFFILIATES

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INDEPENDENT AUDITORS' REPORT

Board of Directors
ServeNow and Affiliates
Colorado Springs, Colorado

We have audited the accompanying consolidated financial statements of *ServeNow and Affiliates*, which comprise the consolidated statement of financial position as of March 31, 2015, and the related consolidated statement of activities 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 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 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 judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those 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.

Board of Directors
ServeNow and Affiliates
Colorado Springs, Colorado

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of *ServeNow and Affiliates* as of March 31, 2015, and the results of their operations and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Consolidated Financial Statements

The March 31, 2014 consolidated financial statements were reviewed by us, and our report thereon, dated July 7, 2014, stated we were not aware of any material modifications that should be made to those consolidated financial statements for them to be in conformity with accounting principles generally accepted in the United States of America. However, a review is substantially less in scope than audit and does not provide a basis for the expression of an opinion on the consolidated financial statements.

Capin Crouse LLP

Colorado Springs, Colorado
July 24, 2015

SERVENOW AND AFFILIATES

Consolidated Statements of Financial Position

	March 31,	
	2015 (Audited)	2014 (Reviewed)
ASSETS:		
Cash and cash equivalents	\$ 38,286	\$ 72,567
Contributions receivable	10,000	-
Prepaid expenses and other assets	8,337	22,760
Gift-in-kind inventory	67,512	67,512
Furniture and equipment–net	18,620	13,047
Total Assets	\$ 142,755	\$ 175,886
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable and accrued expenses	\$ 18,770	\$ 29,557
Net assets:		
Unrestricted:		
Operating	77,394	95,888
Equity in furniture and equipment–net	18,620	13,047
	96,014	108,935
Temporarily restricted	27,971	37,394
	123,985	146,329
Total Liabilities and Net Assets	\$ 142,755	\$ 175,886

See notes to consolidated financial statements

SERVENOW AND AFFILIATES

Consolidated Statements of Activities

	Year Ended March 31,					
	2015 (Audited)			2014 (Reviewed)		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
SUPPORT AND REVENUE:						
Contributions	\$ 409,781	\$ 389,985	\$ 799,766	\$ 201,787	\$ 279,127	\$ 480,914
Gift-in-kind contributions	370,885	-	370,885	109,512	-	109,512
Investment and other income	965	-	965	205	-	205
Total Support and Revenue	781,631	389,985	1,171,616	311,504	279,127	590,631
NET ASSETS RELEASED:						
Purpose restrictions	323,914	(323,914)	-	218,618	(218,618)	-
Administrative assessments	75,494	(75,494)	-	52,573	(52,573)	-
	399,408	(399,408)	-	271,191	(271,191)	-
EXPENSES:						
Program services	948,398	-	948,398	362,431	-	362,431
Supporting activities:						
General and administrative	107,430	-	107,430	62,087	-	62,087
Fundraising	138,132	-	138,132	61,543	-	61,543
	245,562	-	245,562	123,630	-	123,630
Total Expenses	1,193,960	-	1,193,960	486,061	-	486,061
Change in Net Assets	(12,921)	(9,423)	(22,344)	96,634	7,936	104,570
Net Assets, Beginning of Year	108,935	37,394	146,329	12,301	29,458	41,759
Net Assets, End of Year	\$ 96,014	\$ 27,971	\$ 123,985	\$ 108,935	\$ 37,394	\$ 146,329

See notes to consolidated financial statements

SERVENOW AND AFFILIATES

Consolidated Statements of Cash Flows

	Year Ended March 31,	
	2015 (Audited)	2014 (Reviewed)
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ (22,344)	\$ 104,570
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation	4,394	4,850
Donated furniture and equipment	(5,919)	
Changes in operating assets and liabilities:		
Contributions receivable	(10,000)	-
Prepaid expenses and other assets	14,423	(15,760)
Gift-in-kind inventory	-	(67,512)
Accounts payable and accrued expenses	(10,787)	29,319
Net Cash Provided (Used) by Operating Activities	(30,233)	55,467
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchases of furniture and equipment	(4,048)	(17,897)
Net Cash Used by Investing Activities	(4,048)	(17,897)
Net Change in Cash and Cash Equivalents	(34,281)	37,570
Cash and Cash Equivalents, Beginning of Year	72,567	34,997
Cash and Cash Equivalents, End of Year	\$ 38,286	\$ 72,567

See notes to consolidated financial statements

SERVENOW AND AFFILIATES

Notes to Consolidated Financial Statements

March 31, 2015 (Audited) and 2014 (Reviewed)

1. NATURE OF ORGANIZATION:

ServeNow was launched in December 2012 to serve people in need in the name of Christ. Their mission is to accomplish this by caring for orphans, widows, underprivileged children, and youth as well as equipping the Church for greater fulfillment of its ministry and providing humanitarian assistance where needed. *ServeNow* works primarily in countries outside the United States and strives to assist as many people as possible for the Kingdom of God.

ServeNow, a not-for-profit organization incorporated in the State of Colorado, is exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (the Code) and is not a private foundation under Section 509(a) of the Code. The primary source of support for *ServeNow* is contributions.

2. SIGNIFICANT ACCOUNTING POLICIES:

ServeNow maintains its accounts and prepares its consolidated financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. 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 the reported amounts and disclosures at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. The significant accounting policies followed are described below to enhance the usefulness of the consolidated financial statements to the reader.

PRINCIPLES OF CONSOLIDATION

The consolidated financial statements include the financial resources and activities of *ServeNow*, *ServeNow* India, *ServeNow* Sweden, *ServeNow* Ukraine, and *ServeNow* Nepal. All material transactions and balances between the entities have been eliminated in the consolidation. These entities will be collectively referred to as *ServeNow*.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand and checking accounts. These accounts, from time to time, may exceed federally insured limits. *ServeNow* has not experienced any losses on this account and does not believe it is subject to any credit risk on cash and cash equivalents.

CONTRIBUTIONS RECEIVABLE

Unconditional contributions receivable are recognized as assets and support in the period made. Contributions receivable are due within one year. Management considers all amounts to be fully collectible.

GIFT-IN-KIND INVENTORY

Gift-in-kind inventory consists of items donated to *ServeNow* including medical supplies, household goods, and equipment. These items are recorded at their estimated fair market value on the date of the donation, and reported at their carrying amount thereafter. Grants of gift-in-kind items to other non-controlled organizations are expensed when the goods are shipped. Subsequent to the year ended March 31, 2015, all gift-in-kind inventory was granted and shipped to a ministry partner.

SERVENOW AND AFFILIATES

Notes to Consolidated Financial Statements

March 31, 2015 (Audited) and 2014 (Reviewed)

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets consist mainly of travel expenses paid for in advance and security deposits paid as a part of the lease of office spaces in the United States and India.

FURNITURE AND EQUIPMENT

Furniture and equipment are recorded at cost, or if donated, at their estimated fair market value at the date of the gift. Items purchased for the United States office with a cost or fair value in excess of \$500 are capitalized. Items purchased for India offices with a cost or fair value in excess of 5,000 rupees, or \$85 as of March 31, 2015, are capitalized in accordance with Indian law. Depreciation is provided on the straight-line method over estimated useful lives of the assets, which management has determined to be three to ten years. Accumulated depreciation, as of March 31, 2015 (Audited) and 2014 (Reviewed), is \$9,244 and \$4,850, respectively.

NET ASSETS

The consolidated financial statements report amounts by class of net assets:

Unrestricted net assets are those currently available for use in *ServeNow's* operations and resources invested in furniture and equipment—net.

Temporarily restricted net assets are resources restricted by donors for the support of specific *ServeNow* projects.

SUPPORT, REVENUE, AND EXPENSES

Revenue is recognized when earned and support when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of donated assets is transferred to *ServeNow*. Contributions are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Contributed services are reflected in the consolidated financial statements as they meet the definition for skilled services under current accounting standards. Donated assets are recorded as contributions at their estimated fair value on the date of donation.

Expenses are recorded when incurred in accordance with the accrual basis of accounting.

ALLOCATION OF EXPENSES

The costs of providing various program services and supporting activities have been summarized on a functional basis in the consolidated statements of activities. Accordingly, certain costs have been allocated among the program services and supporting activities benefited.

SERVENOW AND AFFILIATES

Notes to Consolidated Financial Statements

March 31, 2015 (Audited) and 2014 (Reviewed)

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

UNCERTAIN TAX POSITIONS

The consolidated financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the consolidated statements of activities. As of March 31, 2015, *ServeNow* had no uncertain tax positions that qualify for recognition or disclosure in the consolidated financial statements.

RECLASSIFICATIONS

Certain prior period amounts have been reclassified to conform with current year presentation.

3. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consist of:

	March 31,	
	2015 (Audited)	2014 (Reviewed)
Children and youth	\$ 23,673	\$ 14,217
Mission team travel	548	15,840
Other projects	3,750	7,337
	<u>\$ 27,971</u>	<u>\$ 37,394</u>

4. RELATED PARTY TRANSACTIONS:

ServeNow made payments of \$59,520 (Audited) and \$7,960 (Reviewed) to Mountainbrook Press for services related to printing, consulting, and fundraising for the year ending March 31, 2015 and 2014, respectively. During the year ended March 31, 2014, *ServeNow* made payments to LBD Services for fundraising consulting totaling \$12,000 (Reviewed). No payments were made to LBD Services in 2015. These entities are owned by the president of *ServeNow*. Additionally, during the year ended March 31, 2015, *ServeNow* employed and paid a relative of the president \$14,771 (Audited). All related party transactions are addressed and approved by the board of directors prior to occurrence.

5. CONCENTRATIONS:

ServeNow received cash contributions of \$108,625 from one donor during the year ended March 31, 2015. Additionally, *ServeNow* received \$329,966 of gift-in-kind income from a charitable organization. Together, these gifts accounted for approximately 37% of total support and revenue during the year ended March 31, 2015. There no were significant concentrations of contributions during the year ended March 31, 2014.

SERVENOW AND AFFILIATES

Notes to Consolidated Financial Statements

March 31, 2015 (Audited) and 2014 (Reviewed)

6. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the consolidated financial statements were available to be issued. Subsequent events after that date have not been evaluated.