

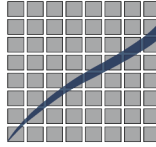


FINANCIAL STATEMENTS

MARCH 31, 2023 AND 2022

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BiggsKofford

CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

Board of Directors

ServeNow

Colorado Springs, Colorado

Opinion

We have audited the accompanying financial statements of ServeNow (a nonprofit organization), which comprise the statements of financial position as of March 31, 2023 and 2022, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of ServeNow as of March 31, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of the report. We are required to be independent of ServeNow and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about ServeNow's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 ServeNow's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about ServeNow's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

BiggsKofford, P.C.

Colorado Springs, Colorado
June 13, 2023

SERVENOW
STATEMENTS OF FINANCIAL POSITION
MARCH 31, 2023 AND 2022

<u>ASSETS</u>	<u>2023</u>	<u>2022</u>
Cash and equivalents	\$ 1,117,321	\$ 1,221,445
Prepaid expenses and other assets	71,192	8,956
Inventory	16,644	20,181
Operating right-of-use asset	87,608	-
Assets held for deferred compensation	25,809	-
Total assets	\$ 1,318,574	\$ 1,250,582
<u>LIABILITIES AND NET ASSETS</u>		
Accounts payable and accrued expenses	\$ 64,260	\$ 22,184
Accounts payable - related party	6,789	-
Operating lease liability	88,853	-
Deferred compensation liability	25,809	-
Total liabilities	185,711	22,184
Net assets:		
Without donor restrictions:		
Operating	474,144	55,802
Board-designated funds	582,898	920,462
Total net assets without donor restrictions	1,057,042	976,264
With donor restrictions	75,821	252,134
Total net assets	1,132,863	1,228,398
Total liabilities and net assets	\$ 1,318,574	\$ 1,250,582

The accompanying notes and independent auditor's report
should be read with these financial statements.

SERVENOW
STATEMENTS OF ACTIVITIES
YEARS ENDED MARCH 31, 2023 AND 2022

	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<u>SUPPORT AND REVENUE</u>						
Contributions and grants	\$ 1,694,122	\$ 1,503,468	\$ 3,197,590	\$ 1,391,306	\$ 1,346,086	\$ 2,737,392
Gift-in-kind contributions	804,187	-	804,187	372,487	-	372,487
Other income	6,492	-	6,492	7,781	-	7,781
Paycheck Protection Program forgiveness income	-	-	-	79,114	-	79,114
Total support and revenue	2,504,801	1,503,468	4,008,269	1,850,688	1,346,086	3,196,774
<u>NET ASSETS RELEASED FROM RESTRICTIONS</u>						
Satisfaction of purpose restrictions	1,383,379	(1,383,379)	-	845,728	(845,728)	-
Administrative assessments	296,402	(296,402)	-	266,683	(266,683)	-
Total net assets released from restrictions	4,184,582	(176,313)	4,008,269	2,963,099	233,675	3,196,774
<u>EXPENSES</u>						
Program services	3,518,280	-	3,518,280	2,488,523	-	2,488,523
Supporting activities:						
General and administrative	225,401	-	225,401	124,207	-	124,207
Fundraising	360,123	-	360,123	324,090	-	324,090
Total expenses	4,103,804	-	4,103,804	2,936,820	-	2,936,820
Change in net assets	80,778	(176,313)	(95,535)	26,279	233,675	259,954
Net assets, beginning of year	976,264	252,134	1,228,398	949,985	18,459	968,444
Net assets, end of year	\$ 1,057,042	\$ 75,821	\$ 1,132,863	\$ 976,264	\$ 252,134	\$ 1,228,398

The accompanying notes and independent auditor's report
should be read with these financial statements.

SERVENOW
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2023

	Program Services	General and Administrative	Fundraising	Total
Accounting	\$ -	\$ 13,000	\$ -	\$ 13,000
Africa programs	38,207	-	-	38,207
Business insurance	16,073	1,786	-	17,859
Equipping the church	321,105	-	-	321,105
Gift in-kind expense	804,187	-	-	804,187
Grants to domestic organizations	124,725	-	-	124,725
Grants to affiliated organizations	1,591,036	-	-	1,591,036
Independent contractors	87,141	40,166	130,617	257,924
Information technology	1,714	193	236	2,143
Legal	808	2,172	111	3,091
Memberships	-	1,400	-	1,400
Occupancy	33,238	3,739	4,570	41,547
Office expenses	111,838	20,266	15,263	147,367
Outstretched Hands	41,000	-	-	41,000
Salaries and benefits	267,405	139,799	205,806	613,010
Travel	25,597	2,880	3,520	31,997
Travel including teams	54,206	-	-	54,206
Total expenses	\$ 3,518,280	\$ 225,401	\$ 360,123	\$ 4,103,804
Percentage of total expenses	86%	5%	9%	100%

The accompanying notes and independent auditor's report
should be read with these financial statements.

SERVENOW
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED MARCH 31, 2022

	Program Services	General and Administrative	Fundraising	Total
Accounting	\$ -	\$ 11,538	\$ -	\$ 11,538
Africa programs	35,708	-	-	35,708
Business insurance	7,140	803	982	8,925
Equipping the church	169,944	-	-	169,944
Gift in-kind expense	372,487	-	-	372,487
Grants to domestic organizations	96,628	-	-	96,628
Grants to affiliated organizations	1,352,370	-	-	1,352,370
Independent contractors	54,992	100	93,578	148,670
Information technology	847	1,129	847	2,823
Legal	-	1,613	-	1,613
Memberships	-	1,125	-	1,125
Occupancy	29,495	3,318	4,056	36,869
Office expenses	64,406	28,790	8,856	102,052
Outstretched Hands	35,300	-	-	35,300
Salaries and benefits	227,130	72,833	213,533	513,496
Travel	16,279	2,958	2,238	21,475
Travel including teams	25,797	-	-	25,797
Total expenses	\$ 2,488,523	\$ 124,207	\$ 324,090	\$ 2,936,820
Percentage of total expenses	85%	4%	11%	100%

The accompanying notes and independent auditor's report
should be read with these financial statements.

SERVENOW
STATEMENTS OF CASH FLOWS
YEARS ENDED MARCH 31, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>		
Change in net assets	\$ (95,535)	\$ 259,954
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Noncash grants	-	15,732
Noncash operating lease cost	33,485	-
Forgiveness of Paycheck Protection Program loan	-	(79,114)
Decrease (increase) in operating assets:		
Prepaid expenses and other assets	(62,236)	1,040
Inventory	3,537	1,926
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	42,076	(10,201)
Operating lease liabilities	(32,240)	-
Accounts payable - related party	6,789	-
Net cash flows from operating activities	<u>(104,124)</u>	<u>189,337</u>
Net change in cash and equivalents	<u>(104,124)</u>	<u>189,337</u>
Cash and equivalents, beginning of year	<u>1,221,445</u>	<u>1,032,108</u>
Cash and equivalents, end of year	<u>\$ 1,117,321</u>	<u>\$ 1,221,445</u>
<u>SUPPLEMENTARY DISCLOSURES</u>		
Funding and appreciation of deferred compensation plan	<u>\$ 25,809</u>	<u>\$ -</u>
Leased assets obtained in exchange for new operating lease liabilities	<u>\$ 121,093</u>	<u>\$ -</u>

The accompanying notes and independent auditor's report should be read with these financial statements.

SERVENOW
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022

1. ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

ServeNow ("Organization") was launched in December 2012 to serve people in need in the name of Christ. Their mission is to accomplish this by sharing Christ's passion for the world by serving the most vulnerable through national churches and leaders. Working with national leaders and indigenous churches, ServeNow works primarily in countries outside the United States and strives to assist as many people as possible for the Kingdom of God.

Non-controlled affiliates

The following affiliated organizations have their own boards of directors and have agreed to align themselves with the mission of ServeNow. These organizations are working in India, Nepal, Ukraine, Ethiopia, Sweden, Burundi, Egypt, Iraq, Uganda, Benin, Malawi, Mexico, Nepal, Uganda, Ivory Coast, Togo, Nigeria, Tanzania, Kenya, Myanmar, Sri Lanka, and Bulgaria.

The accompanying financial statements do not include the activities of the non-controlled affiliates.

Basis of accounting

The Organization maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America ("US GAAP").

Newly adopted accounting policies

In February 2016, the FASB issued ASU No. 2016-02, *Leases* ("ASC Topic 842"), which replaces numerous requirements in US GAAP, and requires organizations to recognize lease assets and lease liabilities on the statement of financial position. On March 1, 2022, the Organization adopted the requirements of ASC Topic 842 and the amendments related thereto, and applied the new requirements to all contracts using the modified retrospective method. Upon adoption of ASC Topic 842, management determined no material adjustment of net assets was required. Additional disclosures required by ASC Topic 842 are presented within the notes to the financial statements. The comparative information continues to be presented in accordance with the previous lease accounting guidance ("ASC Topic 840").

See independent auditor's report.

SERVENOW
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022

Use of estimates

The preparation of financial statements in accordance with US GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Cash and equivalents

For purposes of the statement of cash flows, the Organization considers all highly liquid investments of three months or less to be cash equivalents. These accounts may, at times, exceed federally insured limits; however, the Organization has not experienced any losses on these accounts and does not believe it is exposed to any significant credit risk. The Organization has taken steps to diversify its bank relationships to mitigate FDIC insurance risk.

Inventory

Inventory consists of items donated to the Organization, including medical supplies, household goods and equipment, as well as publication materials related to the Organization. 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.

Leases

Management determines if an arrangement is a lease at inception of the arrangement. Operating leases are included in operating lease right-of-use assets and lease liabilities in the accompanying statements of financial position.

Right-of-use assets represent the Organization's right to use an underlying asset for the lease term, and lease liabilities represent the Organization's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the commencement date based on the present value of lease payments over the lease term. The right-of-use assets also include any lease payments made and exclude lease incentives. The Organization's lease terms may include options to extend or terminate the lease at management's discretion. Such options are included in the calculation of the right-of-use asset and lease liability, and are included in the future maturities of lease liabilities in Note 3, if management determines they are reasonably certain to exercise the options. Operating lease expense for lease payments is recognized on a straight-line basis over the lease term.

See independent auditor's report.

SERVENOW
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022

For leases that do not state or imply an interest rate, the Organization elected a practical expedient to use a risk-free rate based on asset composition.

Net assets

The financial statements present information regarding the financial position and activities according to two classes of net assets: net assets without donor restrictions, which represent the expendable resources that are available for operations at management's discretion; and net assets with donor restrictions, which represent resources restricted by donors as to purpose or by the passage of time.

Support and revenue

Support and revenue are recognized when contributions are made, which may be when cash is received, unconditional promises are made, or ownership of donated assets is transferred to the Organization. Contributions are reported as with donor restrictions 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 satisfied, net assets with donor restrictions are reclassified to net assets without donor restrictions and are reported as released from restrictions in the statement of activities. Donated assets are recorded as contributions at their estimated fair value on the date of donation.

Functional allocation of expenses

The costs of providing various program services and supporting activities have been summarized on a functional basis in the statement of activities and statement of functional expenses. Expenses are recorded when costs are incurred.

The financial statements report certain categories of expenses that are attributable to one or more program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy, which are allocated based upon the overall allocation of other expenses, as well as salaries and wages, benefits, payroll taxes, professional services, information technology, insurance, and other, which are allocated on the basis of estimates of time and effort.

Income taxes

The Organization is exempt from income tax under Section 501(c)(3) of the Internal Revenue Code ("Code") and is not a private foundation under Section 509(a)(2) of the Code.

See independent auditor's report.

SERVENOW
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022

The Organization evaluates the effect of uncertain tax positions, if any, and provides for those positions in accordance with the provisions of FASB ASC 450, Contingencies. The Organization discloses any material adjustments as a result of tax examinations and reports interest and penalties resulting from these adjustments as interest expense and other expenses, as applicable. As of March 31, 2023, the Organization had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

Subsequent events

Management has evaluated subsequent events through the date of the attached independent auditor's report, the date on which the financial statements were available to be issued.

2. LIQUIDITY AND AVAILABILITY OF RESOURCES

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following on March 31,:

	2023	2022
Cash and equivalents	\$ 1,117,321	\$ 1,221,445
Less amounts unavailable for general expenditures within one year due to:		
Donor restrictions	(75,821)	(252,134)
Board-designated funds	(582,898)	(920,462)
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 458,602</u>	<u>\$ 48,849</u>

As part of the Organization's liquidity management plan, it has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due. In addition to financial assets available to meet general expenditures over the next 12 months in the table above, the Organization also operates in accordance with a board-approved budget and anticipates collecting sufficient revenue to cover general expenditures.

See independent auditor's report.

SERVENOW
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022

3. LEASES

ServeNow entered into an agreement to rent office space beginning in July 2020 and continuing for a term of 63 months. Monthly base lease payments range from \$2,767 to \$3,182.

Operating lease expense in the accompanying statement of functional expenses totaled \$36,022 for the year ended March 31, 2023.

Under ASC Topic 840, lease expense under noncancelable operating leases totaled \$31,014 for the year ended March 31, 2022.

Future maturities of operating lease liabilities are as follows for the years ending:

<u>March 31,</u>	
2024	\$ 35,939
2025	36,935
2026	<u>18,841</u>
Total minimum lease payments	91,715
Less amount representing interest	<u>(2,862)</u>
Present value of operating lease liabilities	<u><u>\$ 88,853</u></u>

Other information with respect to operating leases is as follows as of and for the year ended March 31, 2023:

Right-of-use assets obtained in exchange for new lease liabilities	\$ 121,093
Weighted-average remaining lease term (years)	3.50
Weighted-average discount rate	2.61%

See independent auditor's report.

SERVENOW
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022

4. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following as of March 31,:

	2023	2022
Humanitarian	\$ 60,916	\$ 109,710
Equipping bicycles	7,830	6,632
Scripture/Church teaching	-	135,367
Mission team travel	7,075	425
	\$ 75,821	\$ 252,134

5. BOARD-DESIGNATED FUNDS

Board-designated funds consist of the following as of March 31,:

	2023	2022
Operating reserves	\$ 457,898	\$ 454,462
Designated projects	125,000	466,000
	\$ 582,898	\$ 920,462

6. PAYCHECK PROTECTION PROGRAM LOAN

The Organization applied for and received a \$79,114 forgivable loan from the Small Business Administration as part of the Paycheck Protection Program, which is part of the federal government's Coronavirus Aid, Relief, and Economic Security ("CARES") Act. This loan was forgiven during the year ended March 31, 2022 and, accordingly, this amount is included as other income in the accompanying financial statements.

7. RELATED PARTY TRANSACTIONS

The Organization contracts with a company owned by the former president and founder of the Organization to provide donor services. The agreement calls for payments to the related party that vary from \$5,520 to \$6,624 per month plus expenses, and expires in December 2023. Additional projects assigned by the President of ServeNow, going beyond the monthly scope of days, will be invoiced separately at a daily rate of \$552 per day. The Organization made payments totaling \$91,106 and \$86,747 during the years ended March 31, 2023, and 2022, respectively.

See independent auditor's report.

SERVENOW
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2023 AND 2022

The Organization also grants funds to non-controlled affiliated organizations in the countries listed in Note 1, during the year for various programs. The Organization granted \$1,591,036 and \$1,352,370 to foreign organizations and \$124,725 and \$96,628 to domestic organizations whose work is performed in the foreign countries listed during the years ended March 31, 2023, and 2022.

All related party transactions are addressed and approved by the board of directors.

8. EMPLOYEE RETENTION CREDIT

During the year ended March 31, 2022, the Organization applied for the Employee Retention Credit under the CARES Act, totaling \$197,539. The Organization received the total credit applied for along with \$13,118 in interest during the year ended March 31, 2023.

9. CONCENTRATIONS

One donor accounted for approximately 29% and 30% of total contributions for the years ended March 31, 2023 and 2022, respectively.

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See independent auditor's report.