

**VENTURE**

Burnsville, Minnesota

Financial Statements

December 31, 2016, 2015 and 2014

# VENTURE

## CONTENTS

	<u>Page</u>
<b>Independent Auditor's Report</b>	1
<b>Financial Statements</b>	
Statements of Financial Position	2
Statements of Activities	3-5
Statements of Cash Flows	6
Notes to Financial Statements	7-13



## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Venture Expeditions (d.b.a. Venture)  
Burnsville, Minnesota

We have audited the accompanying financial statements of Venture Expeditions (d.b.a. Venture) (a nonprofit organization), which comprise the statements of financial position as of December 31, 2016, 2015, and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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 financial statements referred to above present fairly, in all material respects, the financial position of Venture Expeditions (d.b.a. Venture) as of December 31, 2016, 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.

*Boulay PLLP*

Certified Public Accountants

Minneapolis, Minnesota  
August 29, 2017

## VENTURE

### Statements of Financial Position

ASSETS	December 31		
	2016	2015	2014
<b>Current Assets</b>			
Cash	\$ 1,051,124	\$ 494,566	\$ 502,524
Other current assets	4,014	6,341	8,194
Inventory in transit to donee	119,750	59,875	59,875
Total current assets	1,174,888	560,782	570,593
<b>Property and Equipment</b>			
Vehicles	33,770	33,770	33,770
Furniture and equipment	15,355	15,355	15,355
Computers	12,698	12,698	12,698
Totals	61,823	61,823	61,823
Less accumulated depreciation	55,843	52,346	47,251
Net property and equipment	5,980	9,477	14,572
<b>Intangible asset</b>	16,500	16,500	-
<b>Total assets</b>	<u>\$ 1,197,368</u>	<u>\$ 586,759</u>	<u>\$ 585,165</u>
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current Liabilities</b>			
Accounts payable	\$ 6,194	\$ 7,142	\$ 10,495
Accrued compensation	25,614	31,294	24,403
Promise to give	119,750	59,875	59,875
Total current liabilities	151,558	98,311	94,773
<b>Commitments and Contingencies</b>			
<b>Net Assets</b>			
Unrestricted	434,687	286,666	244,578
Temporarily restricted	611,123	201,782	245,814
Total net assets	1,045,810	488,448	490,392
<b>Total liabilities and net assets</b>	<u>\$ 1,197,368</u>	<u>\$ 586,759</u>	<u>\$ 585,165</u>

Notes to Financial Statements are an integral part of this Statement.

## VENTURE

### Statement of Activities

Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
<b>Revenue and Support</b>			
Contributions	\$ 740,897	\$ 1,371,326	\$ 2,112,223
Special events (net of costs of direct benefits to donors of \$39,922)	90,028	-	90,028
Gifts-in-kind	10,435	1,097,978	1,108,413
Net assets released from restrictions	2,059,963	(2,059,963)	-
Total revenue and support	<u>2,901,323</u>	<u>409,341</u>	<u>3,310,664</u>
<b>Expenses</b>			
Program services:			
Missions and missionary programs	1,761,869	-	1,761,869
Expeditions	794,740	-	794,740
Supporting services:			
Fundraising	40,035	-	40,035
General and administrative	156,658	-	156,658
Total expenses	<u>2,753,302</u>	<u>-</u>	<u>2,753,302</u>
<b>Change in Net Assets</b>	148,021	409,341	557,362
<b>Net Assets - Beginning of Year</b>	<u>286,666</u>	<u>201,782</u>	<u>488,448</u>
<b>Net Assets - End of Year</b>	<u>\$ 434,687</u>	<u>\$ 611,123</u>	<u>\$ 1,045,810</u>

Notes to Financial Statements are an integral part of this Statement.

## VENTURE

### Statement of Activities

Year Ended December 31, 2015

	Unrestricted	Temporarily Restricted	Total
<b>Revenue and Support</b>			
Contributions	\$ 537,552	\$ 1,110,640	\$ 1,648,192
Special events (net of costs of direct benefits to donors of \$36,018)	51,987	-	51,987
Gifts-in-kind	8,437	943,253	951,690
Net assets released from restrictions	2,097,925	(2,097,925)	-
Total revenue and support	<u>2,695,901</u>	<u>(44,032)</u>	<u>2,651,869</u>
<b>Expenses</b>			
Program services:			
Missions and missionary programs	1,746,160	-	1,746,160
Expeditions	725,844	-	725,844
Supporting services:			
Fundraising	37,147	-	37,147
General and administrative	144,662	-	144,662
Total expenses	<u>2,653,813</u>	<u>-</u>	<u>2,653,813</u>
<b>Change in Net Assets</b>	42,088	(44,032)	(1,944)
<b>Net Assets - Beginning of Year</b>	<u>244,578</u>	<u>245,814</u>	<u>490,392</u>
<b>Net Assets - End of Year</b>	<u>\$ 286,666</u>	<u>\$ 201,782</u>	<u>\$ 488,448</u>

Notes to Financial Statements are an integral part of this Statement.

## VENTURE

### Statement of Activities

Year Ended December 31, 2014

	Unrestricted	Temporarily Restricted	Total
<b>Revenue and Support</b>			
Contributions	\$ 544,981	\$ 710,220	\$ 1,255,201
Special events (net of costs of direct benefits to donors of \$28,657)	38,734	-	38,734
Gifts-in-kind	27,018	489,002	516,020
Net assets released from restrictions	1,110,782	(1,110,782)	-
Total revenue and support	1,721,515	88,440	1,809,955
<b>Expenses</b>			
Program services:			
Missions and missionary programs	915,877	-	915,877
Expeditions	462,390	-	462,390
Supporting services:			
Fundraising	20,360	-	20,360
General and administrative	172,556	-	172,556
Total expenses	1,571,183	-	1,571,183
<b>Change in Net Assets</b>	150,332	88,440	238,772
<b>Net Assets - Beginning of Year</b>	94,246	157,374	251,620
<b>Net Assets - End of Year</b>	\$ 244,578	\$ 245,814	\$ 490,392

Notes to Financial Statements are an integral part of this Statement.

## VENTURE

### Statements of Cash Flows

Year Ended December 31,	2016	2015	2014
<b>Cash Flows from Operating Activities</b>			
Change in net assets	\$ 557,362	\$ (1,944)	\$ 238,772
Adjustments to reconcile change in net assets to net cash from operating activities			
Depreciation	3,497	5,095	7,199
Gain on sale of equipment	-	-	(2,833)
Change in assets and liabilities			
Other current assets	2,327	1,853	(8,194)
Inventory in transit to donee	(59,875)	-	(59,875)
Accounts payable	(948)	(3,353)	(7,939)
Accrued compensation	(5,680)	6,891	1,436
Promise to give	59,875	-	59,875
Grants payable	-	-	(75,512)
Net cash from operating activities	556,558	8,542	152,929
<b>Cash Flows from Investing Activities</b>			
Purchase of intangible asset	-	(16,500)	-
Purchase of property and equipment	-	-	(626)
Proceeds from sale of equipment	-	-	3,500
Net cash from (used for) investing activities	-	(16,500)	2,874
<b>Net Increase (Decrease) in Cash</b>	556,558	(7,958)	155,803
<b>Cash – Beginning of Year</b>	494,566	502,524	346,721
<b>Cash – End of Year</b>	<u>\$ 1,051,124</u>	<u>\$ 494,566</u>	<u>\$ 502,524</u>

Notes to Financial Statements are an integral part of this Statement.



## VENTURE

Notes to Financial Statements

December 31, 2016, 2015 and 2014

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Organization and Activities

Venture Expeditions (the Organization) is a nonprofit corporation organized in 1992 under the laws of the State of Minnesota. Venture Expeditions does business under the name Venture and is referred to as such in the financial statements. Venture seeks to use our greatest energies to respond to the world's greatest needs. We identify some of the gravest injustices and greatest needs, like human trafficking in Nepal, forced child labor in Vietnam, the cycle of war and violence in eastern and central Africa and its dire impact on the children there, or the genocide and the resulting refugee situation in Thailand and Burma. We then partner with leaders, organizations, and communities in these areas to develop strategies to address these injustices and offer hope. With these needs and strategies, we then engage individuals, campuses, churches, and groups to raise funds and awareness through biking, hiking, and running, inviting individuals, churches, schools, and organizations to sacrificially participate in bringing hope in a way that inspires their communities. And this process changes everyone involved. Above all, we respond in obedience to Christ, who first saved us. And in responding to dire needs around the world, we become a picture of His love and hope. And in responding we open doors to share the saving Gospel of Jesus wherever we go.

The Organization accomplishes its mission through the following programs:

Missions and missionary programs – the Organization sends and supports well prepared missionaries to focus areas, providing opportunities for people to give financial support to missionaries, nationals, and projects, which includes providing food aid to international locations.

Expeditions – the Organization fosters a community of people who actively respond to the Gospel through physical sacrifice.

#### Accounting Estimates

Management uses estimates and assumptions in preparing these financial statements in accordance with accounting principles generally accepted in the United States of America. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, the reported support, revenues, and expenses. Actual results could differ from those estimates.

Significant management estimates include the estimate of the fair value of gifts in kind and the allocation of expenses between program services and supporting services. It is at least reasonably possible that these estimates could change in the near term.

#### Correction of Immaterial Errors

Missions and missionary programs, expeditions, fundraising, and general and administrative expenses for the years ended December 31, 2015 and 2014 have been corrected for certain immaterial misclassifications in previously presented amounts and are now reported as \$1,746,160 and \$915,877 for missions and missionary programs, \$725,844 and \$462,390 for expeditions, \$37,147 and \$20,360 for fundraising expenses and \$144,662 and \$172,556 for general and administrative expenses, in 2015 and 2014, respectively. These amounts as previously incorrectly reported were \$1,752,430 and \$928,379 for missions and missionary programs, \$739,800 and \$464,596 for expeditions, \$8,800 and \$0 for fundraising expenses, and \$151,289 and \$178,208 for general and administrative expenses, in 2015 and 2014, respectively. This correction had no effect on the change in net assets or the net asset balances.

Inventory in transit to donee and the related promise to give such inventory as of December 31, 2015 and 2014 have been corrected for previously excluded amounts and are now reported as \$59,875 for inventory in transit to donee and related promise to give in both 2015 and 2014. This correction had no effect on the change in net assets or the net asset balances.

## VENTURE

### Notes to Financial Statements

December 31, 2016, 2015 and 2014

#### Basis of Presentation

The Organization presents its financial statements on the accrual basis of accounting. The Organization reports its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets, based on the existence or absence of donor-imposed restrictions. The Organization has no permanently restricted net assets as of December 31, 2016, 2015, and 2014.

#### Contributions

All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Amounts received that are restricted by the donor for future periods or specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes.

When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

#### Cash

The Organization maintains its accounts primarily at one financial institution. At times throughout the year, the Organization's cash balances exceed amounts insured by the Federal Deposit Insurance Corporation. Management believes the Organization is not exposed to any significant credit risk related to cash.

#### Inventory in Transit to Donee and the Related Promise to Give

Inventory in transit to donee represents shipments of in-kind food donations that were in transit at each year end to an international donee location where the food will be distributed and for which the Organization retains title and risk of loss until such shipment is received by the donee. The inventory in transit is valued at its estimated fair value. A related promise to give liability in a like amount at each year end is recorded to reflect the promised commitment of such goods to the international donee.

#### Long-Lived Assets

Property and equipment are stated at cost. Maintenance and repairs are expensed as incurred. Major improvements and betterments are capitalized. Depreciation is provided over estimated useful lives by use of the straight-line method. Estimated useful lives for property and equipment are as follows:

	<u>Estimated Useful Life</u>
Computers	5 years
Furniture and equipment	7 - 10 years
Vehicles	5 years

The intangible asset consists of costs of a domain name. Due to this asset having an indeterminate life, no amortization is reflected.

Long-lived assets, such as property and equipment and purchased intangible assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Organization first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is determined through various valuation techniques including, but not limited to, discounted cash flow models, quoted market values and third-party independent appraisals. There were no impairment losses recognized in 2016, 2015, and 2014.

## VENTURE

### Notes to Financial Statements

December 31, 2016, 2015 and 2014

#### Income Taxes

The Organization is a nonprofit entity and therefore is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable state statutes. Due to its exempt status, the Organization does not have any significant tax uncertainties that would require disclosure. The Organization files a return in the U.S. federal and Minnesota jurisdictions. Management of the Organization believes it is no longer subject to tax examinations for the years prior to 2013.

#### Basis of Allocating Functional Expenses

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

#### Fair Value

The Organization's accounting for fair value measurements of assets and liabilities that are recognized or disclosed at fair value in the financial statements on a recurring or nonrecurring basis adheres to the Financial Accounting Standards Board (FASB) fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to measurements involving significant unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date
- Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, for substantially the full term of the asset or liability
- Level 3 inputs are unobservable inputs for the asset or liability

The level in the fair value hierarchy within which a fair measurement in its entirety falls is based on the lowest level input that is significant to the fair value measurement in its entirety.

#### Recently Issued Accounting Pronouncements

In February 2016, the FASB issued Accounting Standards Update (ASU) No. 2016-02, *Leases (Topic 842)*, which provides guidance for accounting for leases. The new guidance requires entities to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. The ASU is effective for annual periods beginning after December 15, 2019, with early adoption permitted. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

In August 2016, the FASB issued ASU 2016-14 *Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities*, which will change how a not-for-profit organization classifies its net assets, as well as the information it presents in the financial statements and related notes about the organization's liquidity, financial performance, and cash flows. The amendment was issued for the purposes of reducing complexities as well as improving the usefulness and relevance of the information provided to donors, grantors, creditors, and other financial statement users about a not-for-profit entity's resources, and the changes in those resources. The new standard is effective for fiscal years beginning after December 15, 2017, with early adoption permitted. The standard is to be applied on a retrospective basis in the year it is first applied. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

## VENTURE

Notes to Financial Statements

December 31, 2016, 2015 and 2014

### Subsequent Events

The Organization has evaluated subsequent events through August 29, 2017, the date which the financial statements were available to be issued.

## **2. EXPEDITION PROGRAM AND CLOUD COMPUTING APPLICATION DEVELOPMENT**

During 2015, the Organization entered into a contract and began incurring costs related to the development of a cloud-based computing application for the management and support of its expeditions program and the Organization's vision of an application that enables participants to have a measurable social impact for every mile they bike, hike, or run. During 2016 and 2015, the Organization incurred approximately \$362,000 and \$440,000 of costs, respectively, related to this development, which includes approximately \$140,000 and \$105,000 of costs, respectively, that were donated by the developer of the application (see Note 4). The Organization expects the development of this application will be completed and launched in 2017. Under the development contract, the Organization estimates it will incur development costs and related maintenance, hosting, and technical support costs of \$170,000 for the year ending December 31, 2017.

In April 2015, the FASB issued ASU No. 2015-05, *Intangibles-Goodwill and Other-Internal-Use Software (Subtopic 350-40): Customer's Accounting for Fees Paid in a Cloud Computing Arrangement* of the Accounting Standards Codification. The amendments in this update provide guidance to customers about whether a cloud computing arrangement includes a software license. If a cloud computing arrangement includes a software license, the customer should account for the software license element of the arrangement consistent with other software licenses. If a cloud computing arrangement does not include a software license, the customer should account for the arrangement as a service contract. The amendments are effective for fiscal years beginning after December 15, 2016. Early adoption is permitted. The guidance may be applied either prospectively to all arrangements entered into or materially modified after the effective date or retrospectively. The Organization adopted this guidance on January 1, 2015, and it was applied prospectively. The cloud computing application development costs incurred as discussed above are within the scope of this new accounting standard. Therefore, the \$362,000 and \$440,000 of costs incurred in 2016 and 2015, respectively, have been included in expenses rather than at least a portion of the costs being capitalized.

The functionality within the application is being designed to not only support the Organization's various expeditions, but to also include the ability for the donors to contribute to the expeditions. Management estimates that of the total costs incurred in 2016 and 2015, \$355,000 and \$431,200 relates to the expedition program, respectively, and \$7,000 and \$8,800, respectively, relates to the fund-raising element of the application. This estimate is a significant management estimate.

## VENTURE

Notes to Financial Statements

December 31, 2016, 2015 and 2014

### 3. NET ASSETS

Temporarily restricted net assets are available for the following purposes at December 31:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expeditions	\$ 167,233	\$ 24,222	\$ 17,978
Missions and Missionary programs	<u>443,890</u>	<u>177,560</u>	<u>227,836</u>
Totals	<u>\$ 611,123</u>	<u>\$ 201,782</u>	<u>\$ 245,814</u>

Temporarily restricted net assets were released from restrictions as follows for 2016, 2015, and 2014 as a result of incurring the expenses satisfying their restricted purpose:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Expeditions	\$ 525,421	\$ 365,735	\$ 296,796
Missions and Missionary programs	<u>1,534,542</u>	<u>1,732,190</u>	<u>813,986</u>
Totals	<u>\$ 2,059,963</u>	<u>\$ 2,097,925</u>	<u>\$ 1,110,782</u>

### 4. GIFTS-IN-KIND

Donated services are recognized as contributions if the services create or enhance a nonfinancial asset, or require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. The Organization has estimated the approximate fair value of professional services provided at no charge by related parties (Note 5) to be \$3,000 per year during 2016, 2015, and 2014. In addition, the Organization has estimated the approximate fair value of professional services provided at no charge by unrelated parties to be approximately \$147,000, \$111,000, and \$24,000 for the years ended December 31, 2016, 2015, and 2014, respectively. These professional services related to software development of approximately \$140,000, \$105,000, and \$0 and legal services of approximately \$7,000, \$6,000, and \$24,000 which were provided for the Organization during the years ended December 31, 2016, 2015, and 2014, respectively. The approximate fair value of professional services is included in gifts-in-kind contributions and expenses in the statements of activities. The related expense is included in expeditions and fundraising for the software implementation and in general and administrative expense for the legal services.

The Organization receives a significant amount of donated services from unpaid volunteers who assist in various activities and which do not meet the criteria above. No amounts have been recognized in the statement of activities because these services do not qualify for recognition under accounting principles generally accepted in the United States of America.

The Organization purchases airfare from related corporations as described in Note 5. These related corporations, at times, contribute airfare commissions and other airfare costs to the Organization. The Organization has estimated the approximate fair value of these amounts to be \$10,000 for 2014, which is included in gifts-in-kind contributions and expenses in the statement of activities. No amounts were contributed in the years ended December 31, 2015 and 2016.

The Organization also receives food donations for its missions programs. The Organization has estimated the fair value of these donations, based on information provided by the donor, to be approximately \$958,000, \$838,000, and \$479,000 for 2016, 2015, and 2014, respectively. The approximate fair value of food donations is included in gifts-in-kind contributions and mission program expenses in the statement of activities. Gift-in-kind expense is recorded when the goods are approved for distribution for program use. The Organization does not sell donated gifts-in-kind and only distributes the goods for program use.

## VENTURE

### Notes to Financial Statements

December 31, 2016, 2015 and 2014

At each year end, the Organization had certain shipments of the contributed food inventory that were in transit to an international donee location where the food will be distributed. The Organization retains title to such goods and bears risk of loss until the goods reach the donee location. Therefore, the Organization has recorded inventory in transit to donee of \$119,750, \$59,875, and \$59,875 at December 31, 2016, 2015, and 2014, respectively, based on the estimated fair value of the food shipment. The Organization has also recorded a related promise to give liability in a like amount at each year end to reflect the promised commitment of such goods to the international donee.

## 5. TRANSACTIONS WITH RELATED PARTIES

The Organization is related to three other corporations under common management control. The existence of that control could result in financial position and changes in net assets of the Organization that are significantly different from those that would have been obtained if the entities were autonomous.

The Organization received contributions (exclusive of gifts-in-kind) totaling approximately \$395,000, \$441,000, and \$145,000 from these corporations and related individuals during 2016, 2015, and 2014, respectively. In addition, as described in Note 4, in 2014, the Organization received donations of services and airfare costs from the three corporations. The Organization was indebted to one of the corporations for accounts payable of approximately \$7,500 at December 31, 2014.

The Organization has paid the three corporations for the following during the year ended December 31:

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Airfare	\$ 2,133	\$ 19,558	\$ 44,399
Health insurance	4,945	10,655	28,428
Postage and delivery	1,734	3,655	2,894
Office supplies	143	311	517
Rent	12,727	21,699	24,781
Other expenses	<u>32,675</u>	<u>26,148</u>	<u>19,359</u>
Totals	<u>\$ 54,357</u>	<u>\$ 82,026</u>	<u>\$ 120,378</u>

The Organization subleases office space from one of the related corporations. Through November 2014, the Organization was required to pay minimum rents of approximately \$1,000 per month plus certain common area maintenance costs. In 2014, the lease agreement was amended resulting in lease payments of approximately \$1,800 through June 2015 and approximately \$1,000 thereafter plus certain common area maintenance costs. The sublease expires in October 2017. Rent expense, which includes costs of common area maintenance, was approximately \$13,000, \$22,000, and \$25,000 in 2016, 2015, and 2014, respectively.

At December 31, 2016, the Organization had the following minimum commitments (exclusive of payments for common area maintenance, real estate taxes and utilities) for payments under the sublease with the related corporation:

	<u>Operating Leases</u>
2017	<u>\$ 10,000</u>

## 6. CONCENTRATIONS

The Organization has received contributions and gifts-in-kind from corporations under common control with the Organization and related individuals of the Organization that comprised approximately 12%, 17%, and 9% of the Organization's revenue and support in 2016, 2015, and 2014, respectively, as discussed in Notes 4 and 5.

## **VENTURE**

### Notes to Financial Statements

December 31, 2016, 2015 and 2014

The Organization has received food gifts-in-kind from an unrelated party that comprised approximately 29%, 32%, and 26% of the Organization's revenue and support in 2016, 2015, and 2014, respectively. The Organization received contributions from an unrelated party that comprised approximately 10% of the Organization's total revenue and support in 2016.

The Organization maintains one vehicle in a foreign country located in Southeast Asia. The vehicle has a net book value of approximately \$0, \$1,100, and \$3,000 at December 31, 2016, 2015, and 2014, respectively.

### **7. PROFIT SHARING PLAN**

The Organization has a discretionary 401(k) profit sharing plan for substantially all employees who have attained a certain age and met service requirements. The Organization makes a safe harbor matching contribution of 100% of the employee's elective deferral not to exceed 4% of eligible compensation. Contributions to the plan are subject to certain limits under the Internal Revenue Code. Contributions of approximately \$1,300, \$2,000, and \$600 were made for the years ended December 31, 2016, 2015, and 2014, respectively.