

**VENTURE**

Burnsville, Minnesota

Financial Statements

December 31, 2021 and 2020

# VENTURE

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Venture  
Burnsville, Minnesota

### Opinion

We have audited the accompanying financial statements of Venture (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020 and the related statements of activities and changes in net assets, 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 Venture as of December 31, 2021 and 2020 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 Audits of the Financial Statements section of our report. We are required to be independent of Venture 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 Venture'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 Audits 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 generally accepted auditing standards 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 the audits in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Venture'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 Venture'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 audits.

*Boulay PLLP*

Eden Prairie, Minnesota  
November 14, 2022

## VENTURE

### Statements of Financial Position

ASSETS	December 31	
	2021	2020
<b>Current Assets</b>		
Cash	\$ 2,098,967	\$ 3,054,980
Investments	2,068,035	-
Inventory in transit to donee	457,229	65,319
Other current assets	25	25
Total current assets	4,624,256	3,120,324
<b>Investments</b>	101,630	-
<b>Property and Equipment</b>		
Vehicles	61,254	61,254
Furniture and equipment	5,865	5,865
Computers	6,024	6,024
	73,143	73,143
Less accumulated depreciation	30,272	17,034
Net property and equipment	42,871	56,109
<b>Internally developed software, net</b>	104,520	-
<b>Intangible asset</b>	16,500	16,500
<b>Total assets</b>	<u>\$ 4,889,777</u>	<u>\$ 3,192,933</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accrued compensation	\$ 48,190	\$ 40,892
Promises to give	457,229	65,319
Note payable - Paycheck Protection Program	81,582	-
Total current liabilities	587,001	106,211
<b>Commitments and Contingencies</b>		
<b>Net Assets</b>		
Without donor restrictions	1,598,259	1,015,752
With donor restrictions	2,704,517	2,070,970
Total net assets	4,302,776	3,086,722
<b>Total liabilities and net assets</b>	<u>\$ 4,889,777</u>	<u>\$ 3,192,933</u>

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

## VENTURE

### Statement of Activities and Changes in Net Assets

Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Contributions	\$ 1,383,289	\$ 2,463,466	\$ 3,846,755
Special events (net of costs of direct benefits to donors of \$8,913)	304,693	-	304,693
Gifts-in-kind	10,440	2,170,022	2,180,462
Realized and unrealized gains (losses) and investment income, net of fees	162,396	-	162,396
Net assets released from restrictions	3,999,941	(3,999,941)	-
Total revenue and support	5,860,759	633,547	6,494,306
<b>Expenses</b>			
Program services:			
Missions and missionary programs	3,992,216	-	3,992,216
Expeditions	912,618	-	912,618
Supporting services:			
General and administrative	252,027	-	252,027
Fundraising	121,391	-	121,391
Total expenses	5,278,252	-	5,278,252
<b>Change in Net Assets</b>	582,507	633,547	1,216,054
<b>Net Assets - Beginning of Year</b>	1,015,752	2,070,970	3,086,722
<b>Net Assets - End of Year</b>	\$ 1,598,259	\$ 2,704,517	\$ 4,302,776

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

## VENTURE

### Statement of Activities and Changes in Net Assets

Year Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Contributions	1,035,802	\$ 1,834,368	\$ 2,870,170
Special events (net of costs of direct benefits to donors of \$12,131)	119,057	-	119,057
Gifts-in-kind	208,934	914,458	1,123,392
Loss on sale of equipment	(3,872)	-	(3,872)
Investment income	2,344	-	2,344
Paycheck Protection Program loan forgiveness income	64,300	-	64,300
Net assets released from restrictions	<u>2,074,993</u>	<u>(2,074,993)</u>	<u>-</u>
Total revenue and support	3,501,558	673,833	4,175,391
<b>Expenses</b>			
Program services:			
Missions and missionary programs	2,527,983	-	2,527,983
Expeditions	886,162	-	886,162
Supporting services:			
General and administrative	249,064	-	249,064
Fundraising	<u>82,665</u>	<u>-</u>	<u>82,665</u>
Total expenses	<u>3,745,874</u>	<u>-</u>	<u>3,745,874</u>
<b>Change in Net Assets</b>	(244,316)	673,833	429,517
<b>Net Assets - Beginning of Year</b>	<u>1,260,068</u>	<u>1,397,137</u>	<u>2,657,205</u>
<b>Net Assets - End of Year</b>	<u>\$ 1,015,752</u>	<u>\$ 2,070,970</u>	<u>\$ 3,086,722</u>

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

## VENTURE

### Statement of Functional Expenses

Year Ended December 31, 2021

	Program Services			Supporting Services			Total Expenses
	Missions and Missionary Programs	Expeditions	Total	General and Administrative	Fundraising	Total	
Personnel costs							
Salaries and related costs	\$ 193,720	\$ 290,588	\$ 484,308	\$ 161,433	\$ 39,500	\$ 200,933	\$ 685,241
Payroll taxes, net	(1,934)	(2,902)	(4,836)	(1,612)	-	(1,612)	(6,448)
Total personnel costs	191,786	287,686	479,472	159,821	39,500	199,321	678,793
Tour expenses	-	498,309	498,309	-	-	-	498,309
Grants and missionary support	1,596,907	-	1,596,907	-	-	-	1,596,907
Food gift-in-kind expenses	2,170,022	-	2,170,022	-	-	-	2,170,022
Special events, direct benefit to donor	-	-	-	8,913	-	8,913	8,913
Professional fees	-	-	-	16,279	-	16,279	16,279
Advertising and promotion	-	-	-	11,216	14,065	25,281	25,281
Dues and subscription	-	-	-	20,192	-	20,192	20,192
Insurance expenses	27,780	41,558	69,338	19,725	-	19,725	89,063
Meals and entertainment	264	264	528	28	6,800	6,828	7,356
Travel expense	2,699	16,051	18,750	-	3,340	3,340	22,090
Printing and mailing	811	811	1,622	695	9,646	10,341	11,963
Office supplies	76	76	152	229	-	229	381
Bank and processing fees	1,687	1,687	3,374	1,089	44,236	45,325	48,699
Rent expense	-	-	-	22,343	-	22,343	22,343
Web platform and license fee expense	-	31,704	31,704	-	700	700	32,404
Telephone expense	184	330	514	-	-	-	514
Miscellaneous	-	-	-	410	2,704	3,114	3,114
Depreciation and amortization	-	34,142	34,142	-	400	400	34,542
Total expenses	3,992,216	912,618	4,904,834	260,940	121,391	382,331	5,287,165
Less special events, direct benefit to donor	-	-	-	(8,913)	-	(8,913)	(8,913)
<b>Total Functional Expenses</b>	<b>\$ 3,992,216</b>	<b>\$ 912,618</b>	<b>\$ 4,904,834</b>	<b>\$ 252,027</b>	<b>\$ 121,391</b>	<b>\$ 373,418</b>	<b>\$ 5,278,252</b>

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



## VENTURE

### Statement of Functional Expenses

Year Ended December 31, 2020

	Program Services			Supporting Services			Total Expenses
	Missions and Missionary Programs	Expeditions	Total	General and Administrative	Fundraising	Total	
Personnel costs							
Salaries and related costs	\$ 188,274	\$ 282,411	\$ 470,685	\$ 156,895	\$ 29,500	\$ 186,395	\$ 657,080
Payroll taxes	8,901	13,352	22,253	7,418	-	7,418	29,671
Total personnel costs	197,175	295,763	492,938	164,313	29,500	193,813	686,751
Tour expenses	-	255,671	255,671	-	-	-	255,671
Grants and missionary support	1,374,771	-	1,374,771	-	-	-	1,374,771
Food gift-in-kind expenses	914,458	-	914,458	-	-	-	914,458
Special events, direct benefit to donor	-	-	-	12,131	-	12,131	12,131
Professional fees	-	-	-	18,387	-	18,387	18,387
Advertising and promotion	-	-	-	8,275	5,074	13,349	13,349
Dues and subscription	-	-	-	13,828	-	13,828	13,828
Insurance expenses	26,122	39,182	65,304	19,409	-	19,409	84,713
Meals and entertainment	399	399	798	41	3,913	3,954	4,752
Travel expense	12,441	12,441	24,882	-	3,020	3,020	27,902
Printing and mailing	1,124	1,124	2,248	962	3,276	4,238	6,486
Office supplies	196	196	392	589	-	589	981
Conferences and board meetings	-	-	-	68	159	227	227
Bank and processing fees	1,272	1,272	2,544	847	26,968	27,815	30,359
Rent expense	-	-	-	19,438	-	19,438	19,438
Web platform and license fee expense	-	134,544	134,544	-	6,000	6,000	140,544
Web platform gift-in-kind expense	-	140,000	140,000	-	2,800	2,800	142,800
Telephone expense	25	38	63	-	-	-	63
Miscellaneous	-	-	-	2,907	1,955	4,862	4,862
Depreciation and amortization	-	5,532	5,532	-	-	-	5,532
Total expenses	2,527,983	886,162	3,414,145	261,195	82,665	343,860	3,758,005
Less special events, direct benefit to donor	-	-	-	(12,131)	-	(12,131)	(12,131)
<b>Total Functional Expenses</b>	<b>\$ 2,527,983</b>	<b>\$ 886,162</b>	<b>\$ 3,414,145</b>	<b>\$ 249,064</b>	<b>\$ 82,665</b>	<b>\$ 331,729</b>	<b>\$ 3,745,874</b>

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

## VENTURE

### Statements of Cash Flows

Years Ended December 31,	2021	2020
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 1,216,054	\$ 429,517
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	13,238	5,532
Amortization expense	20,904	-
Paycheck Protection Program forgiveness income	-	(64,300)
Loss on sale of equipment	-	3,872
Unrealized gain on investments	(123,586)	-
Realized loss on sale of investments	13,097	-
Donation of vehicle	-	(51,153)
Change in assets and liabilities:		
Other current assets	-	12,884
Inventory in transit to donee	(391,910)	195,955
Accrued compensation	7,298	15,721
Promises to give	391,910	(254,255)
Net cash from operating activities	<u>1,147,005</u>	<u>293,773</u>
<b>Cash Flows from Investing Activities</b>		
Payment for internally developed software	(125,424)	-
Purchase of property and equipment	-	(4,231)
Purchase of Investments	(2,076,091)	-
Proceeds sale of investments	16,915	-
Net cash used for investing activities	<u>(2,184,600)</u>	<u>(4,231)</u>
<b>Cash Flows from Financing Activities</b>		
Proceeds from Paycheck Protection Program	<u>81,582</u>	<u>64,300</u>
Net cash from investing activities	<u>81,582</u>	<u>64,300</u>
<b>Net Increase (Decrease) in Cash</b>	(956,013)	353,842
<b>Cash – Beginning of Year</b>	<u>3,054,980</u>	<u>2,701,138</u>
<b>Cash – End of Year</b>	<u>\$ 2,098,967</u>	<u>\$ 3,054,980</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Donated vehicle	<u>\$ -</u>	<u>\$ 51,153</u>
Paycheck Protection Program loan forgiveness	<u>\$ -</u>	<u>\$ 64,300</u>

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

## VENTURE

Notes to Financial Statements

December 31, 2021 and 2020

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Nature of Organization and Activities

Venture (the “Organization”) is a nonprofit corporation organized in 1992 under the laws of the State of Minnesota. The Organization seeks to use its greatest energies to respond to the world’s greatest needs. The Organization identifies 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, the Organization then engages individuals, campuses, churches, and groups to actively respond through self-sacrifice to raise awareness and funds through biking, hiking, and running, inviting individuals, churches, schools, and organizations to sacrificially participate in bringing hope in a way that inspires their communities. This process changes everyone involved. Above all, the Organization responds in obedience to Christ, who first saved us. In responding to dire needs around the world, the Organization became a picture of His love and hope. In responding, the Organization opens doors to share the saving Gospel of Jesus wherever it goes.

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.

The Organization is supported primarily through donor contributions and certain gifts-in-kind from partners.

#### 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, and 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, including inventory in transit to donee and the related promise to give, the allocation of expenses between program services and supporting services, allocation of joint costs between fundraising expenses and program services, and economic life and valuation of internally developed software. It is at least reasonably possible that these estimates could change in the near term.

#### Recently Adopted Accounting Pronouncements

In September 2020, the Financial Accounting Standards Board (FASB) issued Accounting Standard Update (ASU) No. 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. The new guidance does not change the current recognition and measurement requirements; however, the new guidance requires non-profit organizations to report contributed non-financial assets (gifts-in-kind) as a separate line item in the statement of activities. The accounting guidance also requires certain disclosures for gifts-in-kind. The ASU is effective for annual periods beginning after June 15, 2021, with early adoption permitted. The ASU is to be applied using the retrospective approach. The Organization adopted this standard January 1, 2021, and the adoption of this guidance did not have a material impact on the Organization’s financial statements.

## VENTURE

### Notes to Financial Statements

December 31, 2021 and 2020

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles – Goodwill and Other – Internal-Use Software (Subtopic 350-40), Customer’s Accounting for Implementation costs Incurred in a Cloud Computing Arrangement that is a Service Contract*. The new guidance aligns the requirements for capitalizing implementation costs incurred in a hosting arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software (and hosting arrangements that include an internal use software license). The accounting for the service element of a hosting arrangement that is a service contract is not affected by the amendment in the ASU. The ASU also requires the entity to expense the capitalized implementation cost of a hosting arrangement that is a service contract over the term of the hosting arrangement. The ASU is effective for annual periods beginning after December 14, 2020, with early adoption permitted. The Organization adopted this standard January 1, 2021, and the adoption of this guidance did not have a material impact on the Organization’s financial statements.

#### 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, 2021, with early adoption permitted. The Organization is currently evaluating the impact that the adoption of this guidance will have on its financial statements.

#### 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 two classes of net assets, based on the existence or absence of donor-imposed restrictions, as follows:

- Net assets without donor restrictions – net assets that are not subject to donor-imposed stipulations.
- Net assets with donor restrictions – net assets subject to donor-imposed restrictions. Some donor restrictions are temporary in nature, such as those that can be fulfilled by actions of the Organization pursuant to those stipulations or that expire by the passage of time. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity.

#### Contributions

All contributions are considered to be available for unrestricted support use unless specifically restricted by the donor. Contributions received that are restricted by the donor for future periods or specific purposes are reported as increases in net assets with donor restrictions.

When a donor restriction expires, that is, when a stipulated time restriction ends or the purpose of the restriction is accomplished, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

#### Cash

The Organization maintains its accounts primarily at one financial institution. 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.

## VENTURE

Notes to Financial Statements

December 31, 2021 and 2020

### Inventory in Transit to Donee and Promises 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 initial donated 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.

The Organization has also entered into several agreements to give specified amounts that are payable within one year of the date of the financial statements. These commitments are considered unconditional promises to give and the remaining amounts that have not been paid as of December 31, 2021 and 2020 are reflected as a promise to give liability.

### Property and Equipment

Property and equipment are stated at cost if purchased and fair value if donated. 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 - 10 years
Furniture and equipment	10 years
Vehicles	5 years

### Internally Developed Software

Internally developed software costs are expensed as incurred unless they meet generally accepted accounting principles for capitalization and subsequent amortization. Software development costs incurred prior to completion of the preliminary stage and management's authorization to commit funding to the project are expensed as incurred. Software development costs incurred during the application development stage and post implementation/operation stage are capitalized. Amortization for capitalized costs is determined based upon the straight-line method over the estimated useful life of three years. Costs incurred for upgrades, enhancements, and maintenance that do not add functionality are expensed as incurred. The Organization expensed approximately \$125,000 during the year ended December 31, 2021.

### Intangible Asset

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

Long-lived assets, such as property and equipment, internally developed software, 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 2021 and 2020.

## VENTURE

### Notes to Financial Statements

December 31, 2021 and 2020

#### Investments

Investments in marketable securities are stated at fair value, based on quoted values. Donated investments are initially recorded at fair value on the date of donation and thereafter reported in accordance with the above provision. Realized and unrealized gains and losses on investments are recorded in the statement of activities and changes in net assets. Investment income earned, including realized and unrealized gains, is recorded as unrestricted or temporarily restricted, depending on the existence and/or nature of any donor restrictions.

Investments are exposed to certain risks, such as interest rate, credit, and overall market volatility. Due to the level of risk associated with certain investment securities and the volatility on the capital markets, it is at least reasonably possible that changes in the value of investments could occur in the near term, and those investment values could materially differ from the amounts reported in the accompanying financial statements.

#### 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.

#### Basis of Allocating Functional Expenses

Expenses charged to programs and supporting services, if not directly identifiable, are allocated on a reasonable basis that is consistently applied. Allocated costs include those for administration and general, personnel related expenses and costs for operational support. These costs are allocated based on the various factors including time spent on programs or based upon program revenues. General and administrative expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

#### 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 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 used to measure fair value to the extent that observable inputs are not available, thereby allowing for situations in which there is little, if any, market activity for the asset or liability at measurement date.

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.

The carrying value of investments, accrued compensation, promises to give, and other financial working capital items approximate fair value at December 31, 2021 and 2020, due to the short-term nature of these items.

## VENTURE

### Notes to Financial Statements

December 31, 2021 and 2020

#### Risks and Uncertainties

In March 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic. COVID-19 had an adverse effect during the year ended December 31, 2020 on the Organization's change in net assets due to a reduction in contributions, including a significant reduction in partner contributions as a result of lessened ability to produce and give food, a drop-in volunteer activity, and disruptions to contact donors or recipients due to travel restrictions. During the year ended December 31, 2021, the Organization was not significantly impacted, and food shipments resumed.

#### Subsequent Events

The Organization has evaluated subsequent events through November 14, 2022 the date which the financial statements were available to be issued.

The Paycheck Protection Program (PPP) Loan totaling \$81,582 was formally forgiven on June 9, 2022.

## **2. EXPEDITION PROGRAM AND CLOUD COMPUTING APPLICATION DEVELOPMENT/INTERNALLY DEVELOPED SOFTWARE**

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 2020, the Organization incurred approximately \$183,000 of costs, related to this development, which included approximately \$50,000 of costs that were donated by the developer of the application. The application was launched in 2018 and was available for public use. The Organization also incurred related platform license fees of \$100,000 in 2020, of which \$90,000 of these platform license fees were also donated by the developer as further described in Note 6. The cloud computing application development costs incurred during 2020 of \$183,000 have been included in expenses rather than at least a portion of the costs being capitalized, as the arrangement was determined to be a service contract.

The functionality within the application is 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 during 2021 and 2020, \$3,600 and \$9,000, respectively, relates to the fund-raising element of the application. This estimate of expense allocation is a significant management estimate.

During 2021, the Organization cancelled its contract and developed its own application which continues to support its expeditions program and the Organization's vision of the application that enables participants to have a measurable social impact for every mile they bike, hike, or run. Application development costs of approximately \$125,000 have been capitalized and included in internally developed software on the statement of financial position.

Internally developed software consists of the following at December 31:

	<u>2021</u>	<u>2020</u>
Expeditions	\$ 125,424	\$ -
Missions and Missionary programs	<u>(20,904)</u>	<u>-</u>
Totals	<u>\$ 104,520</u>	<u>\$ -</u>

Amortization expense for the year ended December 31, 2021 was approximately \$21,000.

## VENTURE

Notes to Financial Statements

December 31, 2021 and 2020

### 3. INVESTMENTS

Investments consist of the following at December 31:

	2021	
	Amount	Percent
Cash	\$ 2,230	0.1%
Government money market fund	45,876	2.1%
Common stock	603,398	27.8%
Equity funds:		
US large-cap	171,714	7.9%
US mid-cap	201,131	9.3%
US small-cap	102,327	4.7%
International	169,632	7.8%
Emerging markets	54,000	2.5%
REITS	75,409	3.5%
Total equity funds	774,213	35.7%
Fixed income	743,948	34.3%
Totals	\$ 2,169,665	100.0%

In the accompanying statement of activities and changes in net assets, investment income represents interest and dividend income and is net of investment fees. Investment fees associated with these investments totaled approximately \$16,000 for the year ended December 31, 2021.

### 4. FAIR VALUE

The following tables present information about the Organization's financial assets and liabilities that are measured at fair value on a recurring basis as of December 31:

	2021			
	Fair Value Carrying Amount in the Statement of Financial Position	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Assets (Included in Investments)				
Government money market fund	\$ 45,876	\$ 45,876	\$ -	\$ -
Equity securities	1,377,611	1,377,611	-	-
Fixed income	743,948	642,318	101,630	-
Total assets in fair value hierarchy	\$ 2,167,435	\$ 2,065,805	\$ 101,630	\$ -
Cash	2,230			
Total investments	\$ 2,169,665			

The Organization determines the fair value of all level 1 financial assets based on quoted market prices in an active market. Certain fixed income investments are valued based on yields currently available on comparable securities.



## VENTURE

Notes to Financial Statements

December 31, 2021 and 2020

### 5. NET ASSETS

Net assets with donor restrictions are restricted for the following purposes at December 31:

	<u>2021</u>	<u>2020</u>
Expeditions	\$ 1,064,680	\$ 491,705
Missions and Missionary programs	<u>1,639,837</u>	<u>1,579,265</u>
Totals	<u>\$ 2,704,517</u>	<u>\$ 2,070,970</u>

Net assets with donor restrictions were released from donor restrictions as follows for 2021 and 2020 as a result of incurring the expenses satisfying their restricted purpose:

	<u>2021</u>	<u>2020</u>
Expeditions	\$ 469,561	\$ 859,958
Missions and Missionary programs	<u>3,530,380</u>	<u>1,215,035</u>
Totals	<u>\$ 3,999,941</u>	<u>\$ 2,074,993</u>

### 6. GIFTS-IN-KIND

Donated goods and services are recorded at their estimated fair value.

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 7) to be \$4,500 and \$3,000 for the year ended December 31, 2021 and 2020, respectively. In addition, the Organization has estimated the approximate fair value of professional services provided at no charge by unrelated parties to be approximately \$6,000 and \$65,000 for the years ended December 31, 2021 and 2020, respectively. These professional services include amounts related to cloud application software of approximately \$50,000 for the year ended December 31, 2020 and legal services of approximately \$6,000 and \$15,000 which were provided for the Organization during the years ended December 31, 2021 and 2020, respectively. The Organization also received a donation of related platform license fees for the cloud application of \$90,000 during 2020. The approximate fair value of professional fees from unrelated parties and license fees is included in gifts-in-kind contributions and expenses in the statements of activities and changes in net assets and functional expenses. The donated legal services and related party professional fees are recorded in general and administrative expense.

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 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 \$2,170,000 and \$914,000 for 2021 and 2020, respectively. The approximate fair value of food donations is included in gifts-in-kind contributions and expenses in the statements of activities and functional expenses. 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, 2021 and 2020

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 approximately \$457,000 and \$65,000 at December 31, 2021 and 2020, respectively, based on the estimated donated 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.

During 2020, the Organization received a vehicle donation with an estimated value of approximately \$51,000.

### **7. 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 \$56,000 and \$198,000 from these corporations and related individuals during 2021 and 2020, respectively.

The Organization has paid the three corporations approximately \$260,000 and \$148,000 for the years ended December 31, 2021 and 2020, respectively. The amounts paid primarily relate to salaries and travel services.

The Organization also pays a rent for office space under an annual lease agreement with one of the related corporations at a fair value rate of approximately \$1,800 per month. Rent expense was approximately \$22,000 for each of the years ended December 31, 2021 and 2020.

### **8. CONCENTRATIONS**

The Organization has received food gifts-in-kind from an unrelated party that comprised approximately 33% and 23% of the Organization's revenue and support in 2021 and 2020, respectively.

### **9. PROFIT SHARING PLAN**

The Organization participates in a discretionary 401(k) profit sharing plan sponsored by a related party 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 \$14,000 and \$7,000 were made for 2021 and 2020, respectively.

## VENTURE

Notes to Financial Statements

December 31, 2021 and 2020

### 11. LIQUIDITY AND AVAILABILITY

The following reflects the Organization's financial assets as of the statement of financial position date, reduced by amounts that have donor-imposed restrictions:

	<u>2021</u>	<u>2020</u>
Financial Assets at Year End:		
Cash	\$ 2,098,967	\$ 3,054,980
Investments	2,169,665	-
Less: Donor-Imposed Restrictions:		
Restricted for Expeditions	(1,064,680)	(491,705)
Restricted for Missions and Missionary programs	(1,639,837)	(1,579,265)
Total Donor-Imposed Restrictions	<u>(2,704,517)</u>	<u>(2,070,970)</u>
Net financial assets after donor-imposed restrictions to meet general expenditures within one year	<u>\$ 1,564,115</u>	<u>\$ 984,010</u>

The donor-imposed restrictions represent contributions received from donors with stipulations that the amounts are to be expended for specific program purposes but for which the restricted purposes have not yet been fulfilled at year end. It is anticipated the majority of such donor restrictions will be fulfilled within the next year as the related program expenditures are made. The Organization maintains sufficient resources to meet those requirements. The Organization maintains its cash or other financial assets to be available for expenditures, liabilities, and other obligations, and the Organization's working capital and cash flow needs vary throughout the year. Management monitors its liquidity needs on a regular basis.

### 12. PAYCHECK PROTECTION PROGRAM LOAN AND FORGIVENESS

In February 2021 and April 2020, the Organization received a loan from a lending institution for approximately \$82,000 and \$64,000, respectively, pursuant to the Paycheck Protection Program ("PPP") created by the Federal government. The PPP loan program is part of the Federal Coronavirus, Aid, Relief, and Economic Security Act ("CARES Act") to provide forgivable loans to entities to assist these organizations with employee and rent expenses during the COVID-19 crisis. Under the regulations of this loan, the loan will be forgiven if at least 60% of the funds used are for payroll purposes. Under U.S. generally accepted accounting principles, loan forgiveness income is recognized when an entity is legally released from the obligation. On November 16, 2020, the loan received in April 2020 was forgiven in its entirety, and the Organization recognized forgiveness income of approximately \$64,000 for the year ended December 31, 2020, which was included in revenue and support in the statement of activities for the years ended December 31, 2020. The loan received in April February 2021, was forgiven in its entirety during June 2022. The Organization will recognize forgiveness income of approximately \$82,000 during the year ended December 31, 2022.