VENTURE

Burnsville, Minnesota

Financial Statements

December 31, 2017 and 2016

VENTURE

C O N T E N T S

BOULAY

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, 2017 and 2016, and the related statements of activities, functional expenses, 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, 2017 and 2016, 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 21, 2018

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VENTURE

Statements of Financial Position

ASSETS	December 31 2017	2016
Current Assets		
Cash	$ 1,120,924	$ 1,051,124
Other current assets	6,341	4,014
Inventory in transit to donee	119,750	119,750
Total current assets	1,247,015	1,174,888
Property and Equipment		
Vehicles	20,201	33,770
Furniture and equipment	11,662	15,355
Computers	1,748	12,698
Totals	33,611	61,823
Less accumulated depreciation	12,295	55,843
Net property and equipment	21,316	5,980
Intangible asset	16,500	16,500
Total assets	$ 1,284,831	$ 1,197,368

LIABILITIES AND NET ASSETS	2017	2016
Current Liabilities		
Accounts payable	$ 23,646	$ 6,194
Accrued compensation	14,994	25,614
Promise to give	119,750	119,750
Total current liabilities	158,390	151,558
Commitments and Contingencies		
Net Assets		
Unrestricted	525,660	434,687
Temporarily restricted	600,781	611,123
Total net assets	1,126,441	1,045,810
Total liabilities and net assets	$ 1,284,831	$ 1,197,368

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

VENTURE

Statement of Activities

Year Ended December 31, 2017

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
Contributions	$ 778,111	$ 1,365,583	**$ 2,143,694**
Special events (net of costs of direct benefits to donors of $56,192)	91,924	-	**91,924**
Gifts-in-kind	168,864	1,257,379	**1,426,243**
Gain on sale of assets	3,851	-	**3,851**
Net assets released from restrictions	2,633,304	(2,633,304)	**-**
Total revenue and support	3,676,054	(10,342)	**3,665,712**
Expenses			
Program services:			
Missions and missionary programs	2,471,596	-	**2,471,596**
Expeditions	846,336	-	**846,336**
Supporting services:			
General and administrative	194,559	-	**194,559**
Fundraising	72,590	-	**72,590**
Total expenses	3,585,081	-	**3,585,081**
Change in Net Assets	90,973	(10,342)	**80,631**
Net Assets - Beginning of Year	434,687	611,123	**1,045,810**
Net Assets - End of Year	$ 525,660	$ 600,781	**$ 1,126,441**

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

VENTURE

Statement of Activities

Year Ended December 31, 2016

	Unrestricted	Temporarily Restricted	Total
Revenue and Support			
Contributions	$ 740,897	$ 1,371,326	**$ 2,112,223**
Special events (net of costs of direct benefits to donors of $39,322)	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	2,901,323	409,341	**3,310,664**
Expenses			
Program services:			
Missions and missionary programs	1,755,094	-	**1,755,094**
Expeditions	779,660	-	**779,660**
Supporting services:			
General and administrative	149,373	-	**149,373**
Fundraising	69,175	-	**69,175**
Total expenses	2,753,302	-	**2,753,302**
Change in Net Assets	148,021	409,341	**557,362**
Net Assets - Beginning of Year	286,666	201,782	**488,448**
Net Assets - End of Year	$ 434,687	$ 611,123	**$ 1,045,810**

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

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Statement of Functional Expenses

Year Ended December 31, 2017

	Program Services			Supporting Services			
	Missions and Missionary Programs	Expeditions	**Total**	Management and General	Fundraising	**Total**	**Total Expenses**
Personnel costs							
Salaries and related costs	$ 107,524	$ 161,285	**$ 268,809**	$ 88,352	$ 13,500	**$ 101,852**	**$ 370,661**
Payroll taxes	10,088	4,532	**14,620**	4,873	-	**4,873**	**19,493**
Total personnel costs	117,612	165,817	**283,429**	93,225	13,500	**106,725**	**390,154**
Tour expenses	-	363,034	**363,034**	-	-	**-**	**363,034**
Mission expenses	1,073,684	-	**1,073,684**	-	-	**-**	**1,073,684**
Food gift-in-kind expenses	1,257,379	-	**1,257,379**	-	-	**-**	**1,257,379**
Special events, direct benefit to donor	-	-	**-**	56,192	-	**56,192**	**56,192**
Professional fees	-	-	**-**	43,051	-	**43,051**	**43,051**
Advertising and promotion	-	-	**-**	7,800	-	**7,800**	**7,800**
Dues and subscription	-	-	**-**	9,159	-	**9,159**	**9,159**
Insurance expenses	19,916	8,948	**28,864**	8,396	-	**8,396**	**37,260**
Meals and entertainment	624	280	**904**	452	3,566	**4,018**	**4,922**
Travel expense	-	-	**-**	10,723	7,360	**18,083**	**18,083**
Printing and mailing	322	145	**467**	200	1,319	**1,519**	**1,986**
Office supplies	401	180	**581**	872	-	**872**	**1,453**
Conferences and board meetings	-	-	**-**	6,364	1,461	**7,825**	**7,825**
Bank and processing fees	1,055	474	**1,529**	510	26,590	**27,100**	**28,629**
Rent expense	-	-	**-**	12,000	-	**12,000**	**12,000**
Web platform and license fee expense	-	165,827	**165,827**	-	3,200	**3,200**	**169,027**
Web platform gift-in-kind expense	-	137,200	**137,200**	-	2,800	**2,800**	**140,000**
Telephone expense	-	-	**-**	65	-	**65**	**65**
Miscellaneous	603	271	**874**	1,553	12,794	**14,347**	**15,221**
Depreciation	-	4,160	**4,160**	189	-	**189**	**4,349**
Total expenses	2,471,596	846,336	3,317,932	250,751	72,590	**323,341**	**3,641,273**
Less special events, direct benefit to donor	-	-	-	(56,192)	-	**(56,192)**	**(56,192)**
Total Functional Expenses	**$ 2,471,596**	**$ 846,336**	**$ 3,317,932**	**$ 194,559**	**$ 72,590**	**$ 267,149**	**$ 3,585,081**

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

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Statement of Functional Expenses

Year Ended December 31, 2016

	Program Services			Supporting Services			
	Missions and Missionary Programs	Expeditions	**Total**	Management and General	Fundraising	**Total**	**Total Expenses**
Personnel costs							
Salaries and related costs	$ 80,674	$ 179,566	**$ 260,240**	$ 68,060	$ 17,000	**$ 85,060**	**$ 345,300**
Payroll taxes	5,515	12,275	**17,790**	4,447	-	**4,447**	**22,237**
Total personnel costs	86,189	191,841	**278,030**	72,507	17,000	**89,507**	**367,537**
Tour expenses	-	206,749	**206,749**	-	-	**-**	**206,749**
Mission expenses	700,858	-	**700,858**	-	-	**-**	**700,858**
Food gift-in-kind expenses	958,003	-	**958,003**	-	-	**-**	**958,003**
Special events, direct benefit to donor	-	-	**-**	39,322	-	**39,322**	**39,322**
Professional fees	-	-	**-**	29,460	-	**29,460**	**29,460**
Advertising and promotion	-	-	**-**	9,690	-	**9,690**	**9,690**
Dues and subscription	-	-	**-**	6,981	-	**6,981**	**6,981**
Insurance expenses	8,542	19,012	**27,554**	5,517	-	**5,517**	**33,071**
Meals and entertainment	142	476	**618**	198	3,659	**3,857**	**4,475**
Travel expense	-	-	**-**	6,644	1,282	**7,926**	**7,926**
Printing and mailing	504	1,121	**1,625**	696	1,647	**2,343**	**3,968**
Office supplies	221	491	**712**	1,067	-	**1,067**	**1,779**
Conferences and board meetings	-	-	**-**	1,261	2,548	**3,809**	**3,809**
Bank and processing fees	406	904	**1,310**	437	29,140	**29,577**	**30,887**
Rent expense	-	-	**-**	12,727	-	**12,727**	**12,727**
Web platform and license fee expense	-	217,839	**217,839**	-	4,200	**4,200**	**222,039**
Web platform gift-in-kind expense	-	137,200	**137,200**		2,800	**2,800**	**140,000**
Telephone expense	-	-	**-**	921	-	**921**	**921**
Repairs and maintenance	-	-	**-**	643	-	**643**	**643**
Miscellaneous	229	530	**759**	624	6,899	**7,523**	**8,282**
Depreciation	-	3,497	**3,497**	-		**-**	**3,497**
Total expenses	1,755,094	779,660	2,534,754	188,695	69,175	**257,870**	**2,792,624**
Less special events, direct benefit to donor	-	-	-	(39,322)	-	**(39,322)**	**(39,322)**
Total Functional Expenses	**$ 1,755,094**	**$ 779,660**	**$ 2,534,754**	**$ 149,373**	**$ 69,175**	**$ 218,548**	**$ 2,753,302**

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

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Statements of Cash Flows

Years Ended December 31,	2017	2016
Cash Flows from Operating Activities		
Change in net assets	$ 80,631	$ 557,362
Adjustments to reconcile change in net assets to net cash from operating activities		
Depreciation	4,349	3,497
Gain on sale of equipment	(3,851)	-
Change in assets and liabilities		
Other current assets	(2,327)	2,327
Inventory in transit to donee	-	(59,875)
Accounts payable	17,452	(948)
Accrued compensation	(10,620)	(5,680)
Promise to give	-	59,875
Net cash from operating activities	85,634	556,558
Cash Flows from Investing Activities		
Purchase of property and equipment	(20,634)	-
Proceeds from sale of equipment	4,800	-
Net cash used for investing activities	(15,834)	-
Net Increase in Cash	69,800	556,558
Cash – Beginning of Year	1,051,124	494,566
Cash – End of Year	$ 1,120,924	$ 1,051,124

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Organization and Activities

Venture Expeditions (d.b.a. Venture) (the Organization) is a nonprofit corporation organized in 1992 under the laws of the State of Minnesota. 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. This process changes everyone involved. Above all, we respond in obedience to Christ, who first saved us. In responding to dire needs around the world, we become a picture of His love and hope. 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, 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, 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.

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, 2017 and 2016.

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:

	Estimated Useful Life
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 2017 and 2016.

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 2014.

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. Venture has not early adopted this new standard and plans to implement it with the effective date. 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.

In June 2018 the FASB issued ASU No. 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The new guidance was issued to clarify and improve current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. The amendments clarify how an entity determines whether a resource provider is participating in an exchange transaction by evaluating whether the resource provider is receiving commensurate value in return for the resources transferred. The new standard is to be applied on a modified prospective basis, although retrospective application is permitted. For transactions of non-public entities in which the entity serves as the resource recipient, the amendments are effective for annual periods beginning after December 15, 2018 and interim periods within annual periods beginning after December 15, 2019. For transactions of non-public entities in which the entity serves as the resource provider, the amendments are effective for annual periods beginning after December 15, 2019, and interim periods within annual periods beginning after December 15, 2020. Early adoption of the amendment is permitted. The Organization is currently evaluating the impact that the adoption of this guidance will have on the Organization's financial statements.

Reclassifications

The presentation of certain items in the statement of activities for the year ended December 31, 2016 has been changed to conform to the classification used in 2017. These reclassifications had no effect on the change in net assets or net assets available for benefit as previously reported.

Subsequent Events

The Organization has evaluated subsequent events through August 21, 2018, 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 2017 and 2016, the Organization incurred approximately $209,000 and $262,000 of costs, respectively, related to this development, which includes approximately $50,000 in each year of costs 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 2018. The Organization also incurs related platform license fees of $100,000 per year in 2017 and 2016, of which $90,000 of these platform license fees in each year were donated by the developer as further described in Note 4.

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, subject to certain requirements. If a cloud computing arrangement meets certain requirements, the customer should account for the software arrangement consistent with other software licenses. If a cloud computing arrangement does not meet the defined requirements, the customer should account for the arrangement as a service contract. The Organization early 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 for treatment as a service contract. Therefore, the $209,000 and $262,000 of costs incurred in 2017 and 2016, 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 of approximately $309,000 in 2017 and $362,000 in 2016 (including the platform license fee of $100,000 in both 2016 and 2017), $303,000 and $355,000 relates to the expedition program, respectively, and $6,000 and $7,000, respectively, relates to the fund-raising element of the application. This estimate of expense allocation is a significant management estimate.

3. NET ASSETS

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

	2017		2016	
Expeditions	**$**	**389,692**	$	167,233
Missions and Missionary programs		**211,089**		443,890
Totals	**$**	**600,781**	$	611,123

Temporarily restricted net assets were released from restrictions as follows for 2017 and 2016 as a result of incurring the expenses satisfying their restricted purpose:

	2017		2016	
Expeditions	**$**	**293,363**	$	525,421
Missions and Missionary programs		**2,339,941**		1,534,542
Totals	**$**	**2,633,304**	$	2,059,963

4. 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 5) to be $3,000 per year for 2017 and 2016. In addition, the Organization has estimated the approximate fair value of professional services provided at no charge by unrelated parties to be approximately $66,000 and $57,000 for the years ended December 31, 2017 and 2016, respectively. These professional services related to cloud application software development of approximately $50,000 per year for both 2017 and 2016 (Note 2), and legal services of approximately $16,000 and $7,000 which were provided for the Organization during the years ended December 31, 2017 and 2016, respectively. The Organization also received a donation of related platform license fees for the cloud application of $90,000 per year in 2017 and 2016. The approximate fair value of professional services and license fees is included in gifts-in-kind contributions and expenses in the statements of activities and functional expenses. The related expense is included in expeditions and fundraising for the cloud application software implementation and related license fees. The donated legal services 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 is also provided rent-free space from a related party (Note 5). The Organization has estimated the approximate fair value of rent for this space to be approximately $1,000 per month. This space was provided rent free for ten months during the year ended December 31, 2017. The approximate fair value of $10,000 is included in gift-in-kind contributions and rent expense in the statement of activities for the year ended December 31, 2017.

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 $1,257,000 and $958,000 for 2017 and 2016, respectively. The approximate fair value of food donations is included in gifts-in-kind contributions and mission program 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.

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 $120,000 at both December 31, 2017 and 2016, 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 $582,000 and $395,000 from these corporations and related individuals during 2017 and 2016, respectively.

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

	2017	2016
Airfare and travel	$ 24,748	$ 2,133
Insurance	892	4,945
Postage and delivery	23	1,734
Office supplies	-	143
Rent	2,000	12,727
Bank and payroll processing fees	2,405	4,661
Gala expenses	1,000	25,063
Other expenses	10,654	2,951
Totals	$ 41,722	$ 54,357

The Organization subleased office space from one of the related corporations under a sublease agreement which expired in October 2017. The sublease agreement required monthly lease payment of approximately $1,000. During 2017, the Organization entered into a new verbal, month-to-month agreement with the related corporation under which the Organization is provided use of this office space rent-free beginning in March 2017. Rent expense, including the gift-in-kind of the use of this office space rent-free, was approximately $12,000 and $13,000 in 2017 and 2016, respectively.

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 16% and 12% of the Organization’s revenue and support in 2017 and 2016, respectively, as discussed in Notes 4 and 5.

The Organization has received food gifts-in-kind from an unrelated party that comprised approximately 34% and 29% of the Organization’s revenue and support in 2017 and 2016, respectively. The Organization received contributions from an unrelated party that comprised approximately 10% of the Organization’s total revenue and support for the year ended December 31, 2016.

7. 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 $6,000 and $1,300 were made for 2017 and 2016, respectively.