

**VENTURE**

Burnsville, Minnesota

Financial Statements

As of and for the Years Ended December 31, 2023 and 2022

# 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, 2023 and 2022 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, 2023 and 2022 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the 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.

### Restatement of Previously Issued Financial Statements

As discussed in Note 12 to the financial statements, the 2022 financial statements have been restated to correct misstatements.

### 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*

Minneapolis, Minnesota  
November 12, 2024

## VENTURE

### Statements of Financial Position

ASSETS	December 31	
	2023	2022 (Restated)
<b>Current Assets</b>		
Cash and cash equivalents	\$ 2,306,426	\$ 1,943,811
Contributions receivable	35,720	112,000
Prepaid expenses and other current assets	11,025	11,025
Investments	1,220,037	1,643,904
Inventory in transit to donee	157,553	195,955
Total current assets	<u>3,730,761</u>	<u>3,906,695</u>
<b>Investments</b>	537,200	143,446
<b>Prepaid expenses</b>	13,750	33,000
<b>Property and Equipment</b>		
Vehicles	51,154	61,254
Furniture and equipment	5,865	5,865
Computers	5,398	5,398
	<u>62,417</u>	<u>72,517</u>
Less accumulated depreciation	42,592	41,606
Net property and equipment	<u>19,825</u>	<u>30,911</u>
<b>Internally developed software, net</b>	146,119	150,677
<b>Intangible asset</b>	<u>16,500</u>	<u>16,500</u>
<b>Total assets</b>	<u>\$ 4,464,155</u>	<u>\$ 4,281,229</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 23,640	\$ 23,699
Accrued compensation	48,630	42,395
Promises to give	157,553	195,955
Total current liabilities	<u>229,823</u>	<u>262,049</u>
<b>Commitments and Contingencies</b>		
<b>Net Assets</b>		
Without donor restrictions	1,627,818	953,366
With donor restrictions	2,606,514	3,065,814
Total net assets	<u>4,234,332</u>	<u>4,019,180</u>
<b>Total liabilities and net assets</b>	<u>\$ 4,464,155</u>	<u>\$ 4,281,229</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, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Contributions	\$ 2,173,068	\$ 2,450,030	\$ 4,623,098
Registration fees	135,888	-	135,888
Special events (net of costs of direct benefits to donors of \$9,597)	322,469	-	322,469
Gifts-in-kind	78,602	2,475,423	2,554,025
Realized and unrealized gains (losses) and investment income, net of fees	191,972	-	191,972
Net assets released from restrictions	5,384,753	(5,384,753)	-
Total revenue and support	<u>8,286,752</u>	<u>(459,300)</u>	<u>7,827,452</u>
<b>Expenses</b>			
Program services:			
Missions and missionary programs	6,061,999	-	6,061,999
Venture Miles	812,473	-	812,473
Supporting services:			
General and administrative	469,749	-	469,749
Fundraising	268,079	-	268,079
Total expenses	<u>7,612,300</u>	<u>-</u>	<u>7,612,300</u>
<b>Change in Net Assets</b>	674,452	(459,300)	215,152
<b>Net Assets - Beginning of Year</b>	<u>953,366</u>	<u>3,065,814</u>	<u>4,019,180</u>
<b>Net Assets - End of Year</b>	<u>\$ 1,627,818</u>	<u>\$ 2,606,514</u>	<u>\$ 4,234,332</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, 2022 (Restated)

	Without Donor Restrictions	With Donor Restrictions	Total
<b>Revenue and Support</b>			
Contributions	\$ 999,792	\$ 2,873,568	\$ 3,873,360
Special events (net of costs of direct benefits to donors of \$14,008)	187,751	-	187,751
Gifts-in-kind	106,244	1,872,461	1,978,705
Paycheck Protection Program loan forgiveness	81,582	-	81,582
Realized and unrealized gains (losses) and investment income, net of fees	(388,512)	-	(388,512)
Net assets released from restrictions	4,384,732	(4,384,732)	-
Total revenue and support	<u>5,371,589</u>	<u>361,297</u>	<u>5,732,886</u>
<b>Expenses</b>			
Program services:			
Missions and missionary programs	5,073,701	-	5,073,701
Venture Miles	379,233	-	379,233
Supporting services:			
General and administrative	274,566	-	274,566
Fundraising	288,982	-	288,982
Total expenses	<u>6,016,482</u>	<u>-</u>	<u>6,016,482</u>
<b>Change in Net Assets</b>	(644,893)	361,297	(283,596)
<b>Net Assets - Beginning of Year</b>	<u>1,598,259</u>	<u>2,704,517</u>	<u>4,302,776</u>
<b>Net Assets - End of Year</b>	<u>\$ 953,366</u>	<u>\$ 3,065,814</u>	<u>\$ 4,019,180</u>

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

## VENTURE

### Statement of Functional Expenses

Year Ended December 31, 2023

	Program Services			Supporting Services			Total Expenses
	Missions and Missionary Programs	Venture Miles	Total	General and Administrative	Fundraising	Total	
Personnel costs							
Salaries and related costs	\$ 580,316	\$ 140,007	\$ 720,323	\$ 243,203	\$ 98,432	\$ 341,635	\$ 1,061,958
Payroll taxes	35,947	-	35,947	11,982	-	11,982	47,929
Total personnel costs	616,263	140,007	756,270	255,185	98,432	353,617	1,109,887
Tour expenses	-	536,695	536,695	-	-	-	536,695
Grants and missionary support	2,750,772	-	2,750,772	7,835	9,729	17,564	2,768,336
Food gift-in-kind expense	2,475,423	-	2,475,423	-	-	-	2,475,423
Fundraising event expenses	3,782	12,479	16,261	-	27,970	27,970	44,231
Special events, direct benefit to donor	-	-	-	9,597	-	9,597	9,597
Professional fees	16,373	50	16,423	83,159	-	83,159	99,582
Advertising and promotion	6,758	24,802	31,560	6,679	21,033	27,712	59,272
Dues and subscription	82	4,038	4,120	5,580	-	5,580	9,700
Insurance expenses	66,711	-	66,711	18,417	-	18,417	85,128
Meals and entertainment	13,502	3,883	17,385	5,500	30	5,530	22,915
Printing and mailing	13,692	3,071	16,763	7,842	16,458	24,300	41,063
Office supplies	2,939	2,174	5,113	3,380	2,587	5,967	11,080
Bank and processing fees	7,196	-	7,196	1,853	50,060	51,913	59,109
Rent expense	4,836	-	4,836	22,897	-	22,897	27,733
Computer expenses	43,804	940	44,744	36,909	34,930	71,839	116,583
Telephone expense	2,878	-	2,878	50	-	50	2,928
Conferences	7,316	-	7,316	24,463	1,376	25,839	33,155
Miscellaneous, net	18,586	1,579	20,165	(10,000)	3,785	(6,215)	13,950
Depreciation and amortization	11,086	82,755	93,841	-	1,689	1,689	95,530
Total expenses	6,061,999	812,473	6,874,472	479,346	268,079	747,425	7,621,897
Less special events, direct benefit to donor	-	-	-	(9,597)	-	(9,597)	(9,597)
<b>Total Functional Expenses</b>	<b>\$ 6,061,999</b>	<b>\$ 812,473</b>	<b>\$ 6,874,472</b>	<b>\$ 469,749</b>	<b>\$ 268,079</b>	<b>\$ 737,828</b>	<b>\$ 7,612,300</b>

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



## VENTURE

### Statement of Functional Expenses

Year Ended December 31, 2022

	Program Services			Supporting Services			Total Expenses
	Missions and Missionary Programs	Venture Miles	Total	General and Administrative	Fundraising	Total	
Personnel costs							
Salaries and related costs	\$ 426,939	\$ 91,288	\$ 518,227	\$ 140,777	\$ 82,635	\$ 223,412	\$ 741,639
Payroll taxes, net	27,267	-	27,267	9,089	-	9,089	36,356
Total personnel costs	454,206	91,288	545,494	149,866	82,635	232,501	777,995
Tour expenses	-	206,495	206,495	-	-	-	206,495
Grants and missionary support	2,545,693	-	2,545,693	-	-	-	2,545,693
Food gift-in-kind expense	1,928,389	-	1,928,389	-	-	-	1,928,389
Fundraising event expenses	-	-	-	-	91,991	91,991	91,991
Special events, direct benefit to donor	-	-	-	14,008	-	14,008	14,008
Professional fees	12,277	-	12,277	30,119	-	30,119	42,396
Advertising and promotion	6,144	7,735	13,879	19,265	32,802	52,067	65,946
Dues and subscription	-	-	-	1,226	2,065	3,291	3,291
Insurance expenses	58,210	-	58,210	17,889	-	17,889	76,099
Meals and entertainment	6,744	163	6,907	-	3,020	3,020	9,927
Travel expense	-	-	-	-	10,208	10,208	10,208
Printing and mailing	1,950	821	2,771	11,038	4,752	15,790	18,561
Office supplies	2,549	979	3,528	-	6,926	6,926	10,454
Bank and processing fees	-	-	-	7,197	42,056	49,253	49,253
Rent expense	18,796	-	18,796	4,661	-	4,661	23,457
Computer expenses	17,636	(69)	17,567	26,964	5,777	32,741	50,308
Telephone expense	6,268	54	6,322	-	-	-	6,322
Miscellaneous	2,999	2,060	5,059	6,341	5,327	11,668	16,727
Depreciation and amortization	11,840	69,707	81,547	-	1,423	1,423	82,970
Total expenses	5,073,701	379,233	5,452,934	288,574	288,982	577,556	6,030,490
Less special events, direct benefit to donor	-	-	-	(14,008)	-	(14,008)	(14,008)
<b>Total Functional Expenses</b>	<b>\$ 5,073,701</b>	<b>\$ 379,233</b>	<b>\$ 5,452,934</b>	<b>\$ 274,566</b>	<b>\$ 288,982</b>	<b>\$ 563,548</b>	<b>\$ 6,016,482</b>

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

## VENTURE

### Statements of Cash Flows

Years Ended December 31,	2023	2022
<b>Cash Flows from Operating Activities</b>		
Change in net assets	\$ 215,152	\$ (283,596)
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	11,086	11,840
Amortization expense	84,444	71,130
Paycheck Protection Program forgiveness income	-	(81,582)
Loss (gain) on sale of equipment	(10,000)	6,436
Unrealized loss (gain) on investments	(128,359)	310,286
Realized loss (gain) on sale of investments	(17,839)	121,301
Donation of vehicle	-	(50,316)
Change in assets and liabilities:		
Contributions receivable	76,280	(112,000)
Prepaid expenses and other current assets	19,250	-
Inventory in transit to donee	38,402	261,274
Accounts payable	(59)	23,699
Accrued compensation	6,235	(5,795)
Promises to give	(38,402)	(261,274)
Net cash from operating activities	<u>256,190</u>	<u>11,403</u>
<b>Cash Flows from Investing Activities</b>		
Payment for internally developed software	(79,886)	(117,287)
Proceeds from sale of property and equipment	10,000	-
Purchase of Investments	(1,852,580)	(722,506)
Proceeds from sale of investments	<u>2,028,891</u>	<u>673,234</u>
Net cash used for investing activities	<u>106,425</u>	<u>(166,559)</u>
<b>Net Increase (Decrease) in Cash</b>	362,615	(155,156)
<b>Cash – Beginning of Year</b>	<u>1,943,811</u>	<u>2,098,967</u>
<b>Cash – End of Year</b>	<u>\$ 2,306,426</u>	<u>\$ 1,943,811</u>
<b>SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:</b>		
Donated vehicle	\$ -	\$ 50,316
Paycheck Protection Program loan forgiveness	\$ -	\$ 81,582
Prepaid expenses paid with exchange of vehicle	\$ -	\$ 44,000

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

## VENTURE

Notes to Financial Statements

December 31, 2023 and 2022

### 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.

Venture Miles (formerly known as 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.

#### 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.

## VENTURE

Notes to Financial Statements

December 31, 2023 and 2022

### Contributions and Contributions Receivable

Contributions, which include unconditional promises to give (pledges or contributions receivable), are recognized as revenues in the period received or promised. Contributions receivable of cash donations that are due in one year are recorded at net realizable value, while such donations due beyond one year are discounted and stated at net present value.

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.

### Registration fees

The Organization charges a registration fee for certain biking, hiking, and running events. These fees are recognized in revenue when the event is performed.

### Cash and cash equivalents

Cash and cash equivalents consists of cash on deposits with its bank and money market funds or short-term investments with original maturities of three months or less from the date of purchase.

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.

### 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, 2023 and 2022 are reflected as a promise to give liability.

### Leases

The Organization determines if an arrangement is a lease at inception. A contract is or contains a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The right to control the use of an asset includes the right to obtain substantially all of the economic benefits of the underlying asset and the right to direct how and for what purpose the asset is used. For leases that contain both lease and non-lease components, the Organization has elected to account for the lease and non-lease components as a single lease component. The Organization has elected to not apply the requirements of Accounting Standards Update ("ASU") 842 for short-term leases. Short-term leases are defined as leases that, at the commencement date, have a lease term of twelve months or less.

## VENTURE

Notes to Financial Statements

December 31, 2023 and 2022

### 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.

### 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 2023 and 2022.

### 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.

Certain investments are reflected as long-term on the statement of financial position. These are fixed income investments with maturity dates of greater than one year.

## VENTURE

### Notes to Financial Statements

December 31, 2023 and 2022

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 accrued compensation, promises to give, and other financial working capital items approximate fair value at December 31, 2023 and 2022, due to the short-term nature of these items.

## VENTURE

Notes to Financial Statements

December 31, 2023 and 2022

### Recently Adopted Accounting Pronouncement

On January 1, 2023, the Organization adopted Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. This guidance changes the methodology to be used to measure credit losses for certain financial instruments and financial assets, including trade receivables. The new methodology requires the recognition of an allowance that reflects the current estimate of credit losses expected to be incurred over the life of the financial asset. The adoption of the guidance did not have a material impact on the Organization's financial statements.

### Subsequent Events

The Organization has evaluated subsequent events through November 12, 2024 the date which the financial statements were available to be issued.

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

The Organization developed its own application which supports its Venture Miles 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 \$80,000 and \$117,000 for the year ended December 31, 2023 and 2022, respectively, have been capitalized and included in internally developed software on the statement of financial position at December 31, 2023 and 2022, respectively.

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 2023 and 2022, \$4,000 and \$3,000, respectively, relates to the fundraising element of the application. This estimate of expense allocation is a significant management estimate.

Internally developed software consists of the following at December 31:

	<u>2023</u>	<u>2022</u>
Software	\$ 322,597	\$ 242,711
Accumulated amortization	<u>(176,478)</u>	<u>(92,034)</u>
Totals	<u>\$ 146,119</u>	<u>\$ 150,677</u>

Amortization expense for the year ended December 31, 2022 and 2021 was approximately \$84,000 and \$71,000, respectively.

## **3. CONTRIBUTIONS RECEIVABLE**

At December 31, 2022, the Organization has a contribution receivable of \$112,000. This contribution receivable was paid in full during January 2023 and was owed by a related party of the Organization. At December 31, 2023, the Organization has contributions receivable of approximately \$36,000 for unrelated parties which were paid in January 2024.

## VENTURE

Notes to Financial Statements

December 31, 2023 and 2022

### 4. INVESTMENTS

Investments consist of the following at December 31:

	<u>2023</u>	<u>2022</u>
Cash	\$ 2,677	\$ 2,300
Government money market fund	-	58,871
Common stock	6,132	268,154
Equity funds:		
US large-cap	6,629	335,219
US mid-cap	-	122,765
US small-cap	-	114,665
International	-	62,204
Emerging markets	-	26,896
Commodities	-	45,535
Fixed income	595,386	607,295
Total equity funds	<u>610,824</u>	<u>1,314,579</u>
Fixed income	1,146,413	143,446
Total	<u>\$ 1,757,237</u>	<u>\$ 1,787,350</u>
Short-term investments	\$ 1,220,037	\$ 1,643,904
Long-term investments	537,200	143,446
	<u>\$ 1,757,237</u>	<u>\$ 1,787,350</u>

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 \$14,000 and \$18,000 for the year ended December 31, 2023 and 2022, respectively.

### 5. 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:

	2023			
	Fair Value Carrying Amount in the Statement of Financial Position	Fair Value Measurement Using		
		Level 1	Level 2	Level 3
Assets (Included in Investments)				
Equity securities	\$ 608,147	\$ 608,147	\$ -	-
Fixed income	1,146,413	609,213	537,200	-
Total assets in fair value hierarchy	<u>\$ 1,754,560</u>	<u>\$ 1,217,360</u>	<u>\$ 537,200</u>	<u>\$ -</u>
Cash	2,677			
Total investments	<u>\$ 1,757,237</u>			



## VENTURE

### Notes to Financial Statements

December 31, 2023 and 2022

	2022			
	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	\$ 58,871	\$ 58,871	\$ -	\$ -
Equity securities	1,582,733	1,582,733	-	-
Fixed income	143,446	-	143,446	-
Total assets in fair value hierarchy	\$ 1,785,050	\$ 1,641,604	\$ 143,446	\$ -
Cash	2,300			
Total investments	\$ 1,787,350			

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 which are considered a level 2 fair value measurement.

## 6. NET ASSETS

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

	2023	2022 (Restated)
Venture Miles	\$ 1,918,402	\$ 1,666,222
Missions and Missionary programs	688,112	1,287,592
Contributions receivable	-	112,000
Totals	\$ 2,606,514	\$ 3,065,814

Net assets with donor restrictions were released from donor restrictions as follows for 2023 and 2022 as a result of incurring the expenses satisfying their restricted purpose:

	2023	2022 (Restated)
Venture Miles	\$ 588,820	\$ 326,168
Missions and Missionary programs	4,795,933	4,058,564
Totals	\$ 5,384,753	\$ 4,384,732

## 7. GIFTS-IN-KIND

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

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.

## **VENTURE**

### Notes to Financial Statements

December 31, 2023 and 2022

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 \$2,471,000 and \$1,872,000 for 2023 and 2022, 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.

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 \$158,000 and \$196,000 at December 31, 2023 and 2022, 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 2023, the Organization received gifts-in-kind from related parties of approximately \$79,000. This donation includes airfare of approximately \$39,000, office rent of approximately \$23,000, and miscellaneous other items of approximately \$17,000. The approximate fair value of these items is included in gifts-in-kind contributions and expenses in the statements of activities and changes in net assets and functional expenses.

During 2022, the Organization received gifts-in-kind from a related party of approximately \$56,000. This donation includes airfare of approximately \$35,000 and approximately \$21,000 of miscellaneous other items. The approximate fair value of these items is included in gifts-in-kind contributions and expenses in the statements of activities and changes in net assets and functional expenses. During 2022, the Organization also received a vehicle donation from an unrelated party with an estimated value of approximately \$50,000. This vehicle was used to prepay for future services during 2022 in approximately the same amount.

## **8. 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 \$785,000 and \$483,000 from these corporations and related individuals during 2023 and 2022, respectively.

The Organization received gifts-in-kind totaling approximately \$79,000 and \$56,000 for the years ended December 31, 2023 and 2022, respectively (Note 7).

The Organization has paid the three corporations approximately \$301,000 and \$193,000 for the years ended December 31, 2023 and 2022, respectively. The amounts paid primarily relate to salaries.

The Organization also rents their office space under a month-to-month lease agreement with one of the related corporations. Rent expense was approximately \$23,000 for the years ended December 31, 2023 and 2022 (Note 7).

The Organization had accounts payable balances with related parties of approximately \$19,000 and \$15,000 for the years ended December 31, 2023 and 2022, respectively.

## **9. CONCENTRATIONS**

The Organization has received food gifts-in-kind from an unrelated party that comprised approximately 32% and 31% of the Organization's revenue and support in 2023 and 2022, respectively.

## VENTURE

Notes to Financial Statements

December 31, 2023 and 2022

### 10. 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 \$17,000 and \$19,000 were made for 2023 and 2022, respectively.

### 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:

	<b>2022</b>	2022 (As Restated)
Financial Assets at Year End:		
Cash and cash equivalents	\$ <b>2,306,426</b>	\$ 1,943,811
Investments	<b>1,757,237</b>	1,787,350
Contributions receivable	<b>35,720</b>	112,000
Less: With Donor Restrictions:		
Contributions receivable – time restriction	-	(112,000)
Restricted for Venture Miles	<b>(1,918,402)</b>	(1,666,222)
Restricted for Missions and Missionary programs	<b>(688,112)</b>	(1,287,592)
Total Donor Restrictions	<b>(2,606,514)</b>	(3,065,814)
Net financial assets after donor restrictions to meet general expenditures within one year	<b>\$ 1,492,869</b>	<b>\$ 777,347</b>

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.

## VENTURE

Notes to Financial Statements

December 31, 2023 and 2022

### 12. RESTATEMENT OF PREVIOUSLY ISSUED FINANCIAL STATEMENTS

The Organization has restated the accompanying financial statements as of and for the year ended December 31, 2022. The restatement reflects an adjustment to properly classify net assets as with or without donor restrictions as of December 31, 2022, and the amount of net assets released from restrictions for the year ended December 31, 2022.

The impact of this correction on net assets for the 2022 financial statement is as follows:

	<b>2022</b> <b>(As Restated)</b>	2022 <b>(As Reported)</b>
Without donor restrictions	\$ 953,366	777,018
With donor restrictions	3,065,814	3,242,162
Total net assets	<b>\$ 4,019,180</b>	<b>\$ 4,019,180</b>

In addition, the correction increased the net assets released from restrictions by \$176,348 for the year ended December 31, 2022. The correction had no impact on total net assets as of December 31, 2022 or the change in net assets or cash flows for the year ended December 31, 2022.