

VENTURE

Burnsville, Minnesota

Financial Statements

As of and for the Years Ended December 31, 2024 and 2023

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, 2024 and 2023 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, 2024 and 2023 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

Minneapolis, Minnesota
November 12, 2025

VENTURE

Statements of Financial Position

ASSETS	December 31	
	2024	2023
Current Assets		
Cash and cash equivalents	\$ 2,662,954	\$ 2,306,426
Contributions receivable	-	35,720
Prepaid expenses and other current assets	11,025	11,025
Investments	1,723,924	1,220,037
Inventory in transit to donee	473,558	157,553
Total current assets	4,871,461	3,730,761
Investments	768,995	537,200
Prepaid expenses	2,750	13,750
Property and Equipment		
Building	300,000	-
Vehicles	51,154	51,154
Furniture and equipment	-	5,865
Computers	5,398	5,398
	356,552	62,417
Less accumulated depreciation	47,813	42,592
Net property and equipment	308,739	19,825
Internally developed software, net	160,126	146,119
Intangible asset	16,500	16,500
Total assets	<u>\$ 6,128,571</u>	<u>\$ 4,464,155</u>
LIABILITIES AND NET ASSETS		
Current Liabilities		
Due to broker	\$ 423,683	\$ -
Accounts payable	133,896	23,640
Accrued compensation	87,440	48,630
Promises to give	473,558	157,553
Total current liabilities	1,118,577	229,823
Commitments and Contingencies		
Net Assets		
Without donor restrictions	2,445,112	1,627,818
With donor restrictions	2,564,882	2,606,514
Total net assets	5,009,994	4,234,332
Total liabilities and net assets	<u>\$ 6,128,571</u>	<u>\$ 4,464,155</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, 2024

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 2,513,288	\$ 3,046,181	\$ 5,559,469
Registration fees	168,682	-	168,682
Special events (net of costs of direct benefits to donors of \$54,860)	105,690	-	105,690
Gifts-in-kind	336,157	3,235,982	3,572,139
Realized and unrealized gains (losses) and investment income, net of fees	149,782	-	149,782
Net assets released from restrictions	6,323,795	(6,323,795)	-
Total revenue and support	9,597,394	(41,632)	9,555,762
Expenses			
Program services:			
Missions and missionary programs	6,886,795	-	6,886,795
Venture Miles	733,797	-	733,797
Supporting services:			
General and administrative	782,244	-	782,244
Fundraising	377,264	-	377,264
Total expenses	8,780,100	-	8,780,100
Change in Net Assets	817,294	(41,632)	775,662
Net Assets - Beginning of Year	1,627,818	2,606,514	4,234,332
Net Assets - End of Year	\$ 2,445,112	\$ 2,564,882	\$ 5,009,994

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

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Statement of Activities and Changes in Net Assets

Year Ended December 31, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 2,173,128	\$ 2,450,030	\$ 4,623,158
Registration fees	135,888	-	135,888
Special events (net of costs of direct benefits to donors of \$9,597)	322,409	-	322,409
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	8,286,752	(459,300)	7,827,452
Expenses			
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	7,612,300	-	7,612,300
Change in Net Assets	674,452	(459,300)	215,152
Net Assets - Beginning of Year	953,366	3,065,814	4,019,180
Net Assets - End of Year	\$ 1,627,818	\$ 2,606,514	\$ 4,234,332

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

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Statement of Functional Expenses

Year Ended December 31, 2024

	Program Services			Supporting Services			Total Expenses
	Missions and Missionary Programs	Venture Miles	Total	General and Administrative	Fundraising	Total	
Personnel costs							
Salaries and related costs	\$ 439,727	\$ 218,351	\$ 658,078	\$ 506,961	\$ 218,829	\$ 725,790	\$ 1,383,868
Payroll taxes	40,481	-	40,481	25,992	-	25,992	66,473
Total personnel costs	480,208	218,351	698,559	532,953	218,829	751,782	1,450,341
Tour expenses	-	367,117	367,117	-	-	-	367,117
Grants and missionary support	2,942,477	-	2,942,477	20,581	3,219	23,800	2,966,277
Food gift-in-kind expense	3,235,982	-	3,235,982	-	-	-	3,235,982
Fundraising event expenses	5,679	16,545	22,224	-	9,752	9,752	31,976
Special events, direct benefit to donor	-	-	-	54,860	-	54,860	54,860
Professional fees	4,434	-	4,434	76,028	-	76,028	80,462
Advertising and promotion	18,826	7,169	25,995	27,607	21,401	49,008	75,003
Dues and subscription	846	1,391	2,237	3,073	-	3,073	5,310
Insurance expenses	70,219	604	70,823	22,174	57	22,231	93,054
Meals and entertainment	8,773	1,540	10,313	4,008	994	5,002	15,315
Travel expense	-	-	-	-	9,675	9,675	9,675
Printing and mailing	28,698	6,972	35,670	12,348	21,582	33,930	69,600
Office supplies	15,765	412	16,177	1,447	523	1,970	18,147
Bank and processing fees	-	-	-	22,766	49,730	72,496	72,496
Rent expense	3,117	-	3,117	22,897	-	22,897	26,014
Computer expenses	8,265	2,469	10,734	35,501	35,672	71,173	81,907
Telephone expense	2,045	-	2,045	-	-	-	2,045
Conferences	13,026	5,486	18,512	-	1,663	1,663	20,175
Miscellaneous, net	2,134	1,120	3,254	861	2,032	2,893	6,147
Real estate taxes and building insurance	35,215	-	35,215	-	-	-	35,215
Depreciation and amortization	11,086	104,621	115,707	-	2,135	2,135	117,842
Total expenses	6,886,795	733,797	7,620,592	837,104	377,264	1,214,368	8,834,960
Less special events, direct benefit to donor	-	-	-	(54,860)	-	(54,860)	(54,860)
Total Functional Expenses	\$ 6,886,795	\$ 733,797	\$ 7,620,592	\$ 782,244	\$ 377,264	\$ 1,159,508	\$ 8,780,100

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

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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, net	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)
Total Functional Expenses	\$ 6,061,999	\$ 812,473	\$ 6,874,472	\$ 469,749	\$ 268,079	\$ 737,828	\$ 7,612,300

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

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Statements of Cash Flows

Years Ended December 31,	2024	2023
Cash Flows from Operating Activities		
Change in net assets	\$ 775,662	\$ 215,152
Adjustments to reconcile change in net assets to net cash from operating activities:		
Depreciation	11,086	11,086
Amortization expense	106,756	84,444
Gain on sale of equipment	(5,052)	(10,000)
Unrealized loss (gain) on investments	16,516	(128,359)
Realized loss (gain) on sale of investments	(27)	(17,839)
Donation of building	(300,000)	-
Change in assets and liabilities:		
Contributions receivable	35,720	76,280
Prepaid expenses and other current assets	11,000	19,250
Inventory in transit to donee	(316,005)	38,402
Accounts payable	110,256	(59)
Accrued compensation	38,810	6,235
Promises to give	316,005	(38,402)
Net cash from operating activities	<u>800,727</u>	<u>256,190</u>
Cash Flows from Investing Activities		
Payment for internally developed software	(120,763)	(79,886)
Proceeds from sale of property and equipment	5,052	10,000
Purchase of Investments	(3,712,021)	(1,852,580)
Proceeds from sale of investments	3,383,533	2,028,891
Net cash from (used for) investing activities	<u>(444,199)</u>	<u>106,425</u>
Net Increase in Cash	356,528	362,615
Cash – Beginning of Year	<u>2,306,426</u>	<u>1,943,811</u>
Cash – End of Year	<u>\$ 2,662,954</u>	<u>\$ 2,306,426</u>
SUPPLEMENTAL DISCLOSURE OF NONCASH INVESTING AND FINANCING ACTIVITIES:		
Purchase of investments in exchange for loan	\$ 423,683	\$ -
Donated building	\$ 300,000	\$ -

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

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Notes to Financial Statements

December 31, 2024 and 2023

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.

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Notes to Financial Statements

December 31, 2024 and 2023

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.

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.

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Notes to Financial Statements

December 31, 2024 and 2023

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
Building	40 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 2024 and 2023.

Investments

Investments in marketable securities are stated at fair value. 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.

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Notes to Financial Statements

December 31, 2024 and 2023

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, 2024 and 2023, due to the short-term nature of these items.

Subsequent Events

The Organization has evaluated subsequent events through November 12, 2025, the date which the financial statements were available to be issued.

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Notes to Financial Statements

December 31, 2024 and 2023

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

The Organization developed its own software 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 \$121,000 and \$80,000 for the year ended December 31, 2024 and 2023, respectively, have been capitalized and included in internally developed software on the statement of financial position at December 31, 2024 and 2023, 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 2024 and 2023, \$4,000 for each year 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>2024</u>	<u>2023</u>
Software	\$ 443,360	\$ 322,597
Accumulated amortization	<u>283,234</u>	<u>176,478</u>
Totals	<u>\$ 160,126</u>	<u>\$ 146,119</u>

Amortization expense for the year ended December 31, 2023 and 2022 was approximately \$107,000 and \$84,000, respectively.

3. CONTRIBUTIONS RECEIVABLE

At December 31, 2023, the Organization has a contribution receivable of \$36,000. This contribution receivable was paid in full during January 2024 and was owed by a related party of the Organization.

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Notes to Financial Statements

December 31, 2024 and 2023

4. INVESTMENTS

Investments consist of the following at December 31:

	<u>2024</u>	<u>2023</u>
Cash	\$ 3,324	\$ 2,677
Common stock	3,900	6,132
Equity funds:		
US large-cap	6,728	6,629
Fixed income	587,643	595,386
Total equity funds	601,595	610,824
Fixed income	1,891,324	1,146,413
Total	\$ 2,492,919	\$ 1,757,237
Short-term investments	\$ 1,723,924	\$ 1,220,037
Long-term investments	768,995	537,200
	\$ 2,492,919	\$ 1,757,237

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 \$8,000 and \$14,000 for the year ended December 31, 2024 and 2023, 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:

	2024			
	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	\$ 598,271	\$ 598,271	\$ -	-
Fixed income	1,891,324	768,995	1,122,329	-
Total assets in fair value hierarchy	\$ 2,489,595	\$ 1,367,266	\$ 1,122,329	\$ -
Cash	3,324			
Total investments	\$ 2,492,919			

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Notes to Financial Statements

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	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	1,146,413	609,213	537,200	-
Total assets in fair value hierarchy	\$ 1,754,560	\$ 1,217,360	\$ 537,200	\$ -
Cash	2,677			
Total investments	\$ 1,757,237			

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:

	2024	2023
Venture Miles	\$ 2,427,585	\$ 1,918,402
Missions and Missionary programs	137,297	688,112
Totals	\$ 2,564,882	\$ 2,606,514

Net assets with donor restrictions were released from donor restrictions as follows for 2024 and 2023 as a result of incurring the expenses satisfying their restricted purpose:

	2024	2023
Venture Miles	\$ 422,660	\$ 588,820
Missions and Missionary programs	5,901,135	4,795,933
Totals	\$ 6,323,795	\$ 5,384,753

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.

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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 \$3,236,000 and \$2,475,000 for 2024 and 2023, 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 \$474,000 and \$158,000 at December 31, 2024 and 2023, 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 2024, the Organization received gifts-in-kind from related parties of approximately \$36,000. This donation includes office rent of approximately \$23,000 and miscellaneous other items of approximately \$13,000. 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 2023, the Organization received gifts-in-kind from a related party of approximately \$79,000. This donation includes airfare of approximately \$39,000, office rent of approximately \$23,000, and approximately \$17,000 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.

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 \$303,000 and \$785,000 from these corporations and related individuals during 2024 and 2023, respectively.

The Organization received gifts-in-kind totaling approximately \$36,000 and \$79,000 for the years ended December 31, 2024 and 2023, respectively (Note 7).

The Organization has paid the three corporations approximately \$255,000 and \$301,000 for the years ended December 31, 2024 and 2023, 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, 2024 and 2023 (Note 7).

The Organization had accounts payable balances with related parties of approximately \$126,000 and \$19,000 for the years ended December 31, 2024 and 2023, respectively.

9. CONCENTRATIONS

The Organization has received food gifts-in-kind from an unrelated party that comprised approximately 34% and 32% of the Organization's revenue and support in 2024 and 2023, respectively.

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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 \$25,000 and \$17,000 were made for 2024 and 2023, 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:

	<u>2024</u>	<u>2023</u>
Financial Assets at Year End:		
Cash and cash equivalents	\$ 2,662,954	\$ 2,306,426
Investments	2,492,919	1,757,237
Contributions receivable	-	35,720
Less: With Donor Restrictions:		
Restricted for Venture Miles	(2,427,585)	(1,918,402)
Restricted for Missions and Missionary programs	(137,297)	(688,112)
Total Donor Restrictions	<u>(2,564,882)</u>	<u>(2,606,514)</u>
Net financial assets after donor restrictions to meet general expenditures within one year	<u>\$ 2,590,991</u>	<u>\$ 1,492,869</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.