



**Dare2Share**  
MINISTRIES

FINANCIAL STATEMENTS  
With Independent Auditors' Report

June 30, 2015 and 2014

# DARE 2 SHARE MINISTRIES, INC.

## Table of Contents

	<u>Page</u>
Independent Auditors' Report	1
Financial Statements	
Statements of Financial Position	3
Statements of Activities	4
Statements of Cash Flows	5
Notes to Financial Statements	6
Supplementary Schedules	
Independent Auditors' Report on Supplementary Schedules	13
Schedules of Functional Expenses	14

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
Dare 2 Share Ministries, Inc.  
Arvada, Colorado

We have audited the accompanying financial statements of Dare 2 Share Ministries, Inc., which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities and cash flows for the years then ended, and the related notes to the financial statements.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditors' 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.

Board of Directors  
Dare 2 Share Ministries, Inc.  
Arvada, Colorado

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Dare 2 Share Ministries, Inc. as of June 30, 2015 and 2014, and the changes in its net assets and cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Capin Crouse LLP*

Centennial, Colorado  
October 6, 2015

# DARE 2 SHARE MINISTRIES, INC.

## Statements of Financial Position

	June 30,	
	2015	2014
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 742,431	\$ 714,058
Investments	40,588	40,420
Inventory	155,539	178,518
Prepaid expenses and other assets	212,238	170,826
Capitalized production costs–net	60,584	25,507
Furniture and equipment–net	418,388	179,175
<b>Total Assets</b>	<b>\$ 1,629,768</b>	<b>\$ 1,308,504</b>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable	\$ 154,168	\$ 74,736
Accrued expenses	58,163	75,874
Deferred revenue	329,790	371,507
Capital lease obligations	292,969	56,760
	835,090	578,877
Net assets:		
Unrestricted:		
Operating	205,474	214,262
Equity in furniture and equipment–net	125,419	122,415
	330,893	336,677
Temporarily restricted	463,785	392,950
	794,678	729,627
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,629,768</b>	<b>\$ 1,308,504</b>

See notes to financial statements

## DARE 2 SHARE MINISTRIES, INC.

### Statements of Activities

	Year Ended June 30,					
	2015			2014		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 1,156,015	\$ 596,290	\$ 1,752,305	\$ 745,252	\$ 923,489	\$ 1,668,741
Conference revenue-net	1,392,235	-	1,392,235	1,371,944	-	1,371,944
Sales	444,101	-	444,101	470,104	-	470,104
Sponsorships	80,000	-	80,000	97,325	-	97,325
Honorarium and other income	50,363	-	50,363	104,550	-	104,550
<b>Total Support and Revenue</b>	<b>3,122,714</b>	<b>596,290</b>	<b>3,719,004</b>	<b>2,789,175</b>	<b>923,489</b>	<b>3,712,664</b>
<b>NET ASSETS RELEASED:</b>						
From purpose restrictions	525,455	(525,455)	-	1,104,729	(1,104,729)	-
<b>EXPENSES:</b>						
Program services	3,037,984	-	3,037,984	3,115,113	-	3,115,113
Support activities:						
Management and general	450,830	-	450,830	416,127	-	416,127
Fund-raising	165,139	-	165,139	85,369	-	85,369
<b>Total Expenses</b>	<b>3,653,953</b>	<b>-</b>	<b>3,653,953</b>	<b>3,616,609</b>	<b>-</b>	<b>3,616,609</b>
Change in Net Assets	(5,784)	70,835	65,051	277,295	(181,240)	96,055
Net Assets, Beginning of Year	336,677	392,950	729,627	59,382	574,190	633,572
Net Assets, End of Year	\$ 330,893	\$ 463,785	\$ 794,678	\$ 336,677	\$ 392,950	\$ 729,627

See notes to financial statements

# DARE 2 SHARE MINISTRIES, INC.

## Statements of Cash Flows

	Year Ended June 30,	
	2015	2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 65,051	\$ 96,055
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	132,263	110,884
Net realized and unrealized gains	(168)	(7,146)
Change in operating assets and liabilities:		
Inventory	22,979	4,399
Prepaid expenses and other assets	(41,412)	93,137
Accounts payable	79,432	7,271
Accrued expenses	(17,711)	(2,521)
Deferred revenue	(41,717)	88,102
Net Cash Provided by Operating Activities	198,717	390,181
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of furniture and equipment	(31,701)	(35,605)
Payments for video production	(71,745)	(21,607)
Net Cash Used by Investing Activities	(103,446)	(57,212)
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Payments on capital lease obligation	(66,898)	(23,091)
Net Cash Used by Financing Activities	(66,898)	(23,091)
Change in Cash and Cash Equivalents	28,373	309,878
Cash and Cash Equivalents, Beginning of Year	714,058	404,180
Cash and Cash Equivalents, End of Year	\$ 742,431	\$ 714,058
<b>SUPPLEMENTAL DISCLOSURE:</b>		
Furniture and equipment acquired by capital lease	\$ 303,107	\$ 70,950

See notes to financial statements

# DARE 2 SHARE MINISTRIES, INC.

## Notes to Financial Statements

June 30, 2015 and 2014

1. NATURE OF ORGANIZATION:

Dare 2 Share Ministries, Inc. (D2S) is a nonprofit organization dedicated to mobilizing teenagers to relationally and relentlessly reach their generation for Christ. The passion of D2S is to impact Christian teenagers with the mission to influence their culture with the love of Jesus Christ. D2S accomplishes its goals by holding rallies and conferences as well as providing materials and publications. Support for the ministries of D2S consists primarily of conference fees and donations from individuals, churches, and foundations.

D2S, a nonprofit organization incorporated in the State of Colorado, is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code (the Code) and is not a private foundation under Section 509(a) of the Code.

2. SIGNIFICANT ACCOUNTING POLICIES:

D2S maintains its accounts and prepares its financial statements on the accrual basis of accounting in conformity with accounting principles generally accepted in the United States of America. The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosures of any contingent assets and liabilities at the date of the financial statements, and the reported revenues and expenses during the reporting period. Actual results could differ from the estimates. The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

### CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash held in checking, interest bearing money market accounts, and petty cash on hand. These accounts may, at times, exceed federally insured limits. D2S has not experienced any losses in such accounts, and believes it is not exposed to any significant credit risk on cash and cash equivalents.

### INVESTMENTS

Investments consist of mutual funds. Realized and unrealized gains and losses are included as unrestricted revenue in the statements of activities, unless restricted by the donor. Donated investments are recorded at the fair value on the date of donation and thereafter carried in accordance with the above provisions.

The mutual funds are reported at fair value based on the Fair Value Measurement Topic of the Financial Accounting Standards Board Accounting Standards Codification (FASB ASC), which establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. All investments are valued based on Level 1 inputs as of June 30, 2015 and 2014, which values inputs at quoted prices in active markets for identical assets.



# DARE 2 SHARE MINISTRIES, INC.

## Notes to Financial Statements

June 30, 2015 and 2014

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### INVENTORY

Inventory consists of clothing and course materials. Inventory is valued at the lower of cost or market on the first-in, first-out (FIFO) method.

#### FURNITURE AND EQUIPMENT

Furniture and equipment are recorded at cost, or if donated, at its fair market value on the date of the gift. D2S capitalizes all fixed assets greater than \$1,000. Depreciation and amortization are computed on the straight-line basis over estimated useful lives which range from three to ten years.

#### CAPITALIZED PRODUCTION COSTS

Capitalized production costs consist of costs incurred mainly for the production of Salt curriculum, Life in 6 Words, Inzanity, and Share 6. Amortization is computed on the straight-line basis over the estimated useful life of three years. Accumulated amortization as of June 30, 2015 and 2014, was \$110,695 and \$74,007, respectively. Amortization expense during the years ended June 30, 2015 and 2014, was \$36,668 and \$34,689, respectively.

#### DEFERRED REVENUE

Deferred revenue primarily consists of registration fees and sponsorship income collected for conferences that will be held in the next fiscal year.

#### NET ASSETS

The financial statements report amounts separately by class of net assets as follows:

*Unrestricted net assets* are those resources currently available at the discretion of the board for use in the operations of D2S and those resources invested in furniture and equipment—net.

*Temporarily restricted net assets* are those resources stipulated by donors for specific purposes.

#### SUPPORT AND REVENUE

Contributions are recorded when made, which may be when cash is received, when unconditional promises are made, or when ownership of donated assets is transferred to D2S. Gifts of cash and other assets are reported as restricted support if they are received with donor stipulations that limit the use of the donated amounts. Contributions restricted by the donor for a specific purpose in which the restrictions are fully satisfied on or before year-end are reported as unrestricted support. If the restrictions are not fully satisfied on or before year-end, the contributions are recorded as temporarily restricted support. Upon satisfaction of the restriction, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

# DARE 2 SHARE MINISTRIES, INC.

## Notes to Financial Statements

June 30, 2015 and 2014

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### SUPPORT AND REVENUE, continued

D2S does not record contribution revenue for donated services as these services do not meet the criteria to be recorded under accounting standards. However, a substantial number of volunteers have donated significant amounts of time to the programs of D2S.

Conference revenue is recorded when earned, which is when the conferences are held. Conference revenue is shown net of discounts of \$9,913 and \$27,198 and net of scholarships of \$38,304 and \$38,509, for the years ended June 30, 2015 and 2014, respectively.

D2S receives conference sponsorship income from various organizations. Sponsorship income is recorded in the year the conferences take place. D2S determined that there was not an unrelated business income tax liability associated with this income.

Sales income is recognized when the order is received and fulfilled. Honorarium and other income is recognized when earned.

#### FUNCTIONAL ALLOCATION OF EXPENSES

The costs of providing program services and supporting activities of D2S have been summarized on a functional basis in the statements of activities. Accordingly, certain costs, such as depreciation and payroll, have been allocated among the program services and supporting activities benefited.

#### ADVERTISING

D2S uses advertising to promote its programs among the audiences it serves. Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2015 and 2014, was \$88,117 and \$77,779, respectively.

#### UNCERTAIN TAX POSITIONS

The financial statement effects of a tax position taken or expected to be taken are recognized in the financial statements when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. Interest and penalties, if any, are included in expenses in the statements of activities. As of June 30, 2015, D2S had no uncertain tax positions that qualify for recognition or disclosure in the financial statements.

D2S is generally no longer subject to U.S. federal and state income tax examinations by tax authorities for the years before 2012.

#### RECLASSIFICATIONS

Certain prior period amounts have been reclassified to conform with current year presentation.

# DARE 2 SHARE MINISTRIES, INC.

## Notes to Financial Statements

June 30, 2015 and 2014

### 3. INVESTMENTS:

Investments in mutual funds consist of:

	June 30,	
	2015	2014
Large-cap blend	\$ 22,511	\$ 23,195
Small-cap blend	5,187	4,932
Mid-cap blend	4,799	4,579
Large-cap value	4,334	4,243
Large-cap growth	3,757	3,471
	<u>\$ 40,588</u>	<u>\$ 40,420</u>

### 4. FURNITURE AND EQUIPMENT—NET:

Furniture and equipment—net consist of:

	June 30,	
	2015	2014
Furniture and equipment	\$ 673,995	\$ 358,494
Software	140,587	119,896
Website development	78,239	75,509
	<u>892,821</u>	<u>553,899</u>
Less accumulated depreciation and amortization	<u>(474,433)</u>	<u>(374,724)</u>
	<u>\$ 418,388</u>	<u>\$ 179,175</u>

Equity in furniture and equipment—net consists of:

	June 30,	
	2015	2014
Furniture and equipment—net	\$ 418,388	\$ 179,175
Less capital lease obligation	<u>(292,969)</u>	<u>(56,760)</u>
	<u>\$ 125,419</u>	<u>\$ 122,415</u>

# DARE 2 SHARE MINISTRIES, INC.

## Notes to Financial Statements

June 30, 2015 and 2014

4. FURNITURE AND EQUIPMENT–NET, continued:

Accumulated depreciation as of June 30, 2015 and 2014, was \$276,566 and \$235,884, respectively. Accumulated amortization was \$197,867 and \$138,840, respectively, as of June 30, 2015 and 2014. Depreciation expense for the years ended June 30, 2015 and 2014, was \$36,568 and \$26,487, respectively. Amortization expense related to furniture and equipment–net was \$59,027 and \$49,708 for the years ended June 30, 2015 and 2014, respectively.

5. CAPITAL LEASE OBLIGATIONS:

Capital lease obligations consist of:

	June 30,	
	2015	2014
Copier capital lease obligation with monthly payments of \$5,516, ending July 2019.	\$ 239,193	\$ -
Copier capital lease obligation with monthly payments of \$1,183, ending June 2018.	42,570	56,760
Computer capital lease obligation with monthly payments of \$467, ending June 2017.	11,206	-
	\$ 292,969	\$ 56,760

Included in furniture and equipment–net are the following assets under capital lease:

	June 30,	
	2015	2014
Furniture and equipment	\$ 374,057	\$ 120,861
Less accumulated amortization	(37,399)	(57,006)
	\$ 336,658	\$ 63,855

# DARE 2 SHARE MINISTRIES, INC.

## Notes to Financial Statements

June 30, 2015 and 2014

5. CAPITAL LEASE OBLIGATIONS, continued:

Future minimum lease payments are:

<u>Year Ending June 30,</u>	
2016	\$ 85,985
2017	85,985
2018	80,382
2019	66,192
2020	5,516
	<hr/> 324,060
Less interest expense	(31,091)
	<hr/> <hr/> \$ 292,969

6. TEMPORARILY RESTRICTED NET ASSETS:

Temporarily restricted net assets consist of:

	<u>June 30,</u>	
	<u>2015</u>	<u>2014</u>
President's gathering	\$ 403,876	\$ -
International programs	32,463	32,463
Scholarships	17,164	31,987
Conferences	10,282	148,877
Share 6	-	179,623
	<hr/> \$ 463,785	<hr/> \$ 392,950

7. OPERATING LEASES:

D2S leases office space in Arvada, Colorado. Rent expense under this lease for the years ended June 30, 2015 and 2014, was \$107,061 and \$96,292, respectively. Future minimum lease payments are:

<u>Year Ending June 30,</u>	
2016	\$ 101,168
2017	68,560
	<hr/> \$ 169,728

# **DARE 2 SHARE MINISTRIES, INC.**

## **Notes to Financial Statements**

June 30, 2015 and 2014

8. COMMITMENTS:

Each year, D2S enters into several contracts for the upcoming conference season; these contracts are within the typical operations of D2S. D2S entered into several contracts with performing artists and producers totaling \$83,150 for the 2015-2016 conference season. These amounts are due during the fiscal year ending June 30, 2016.

9. DEFINED CONTRIBUTION PLAN:

D2S has a defined contribution plan covering all employees who have worked for the organization for more than six months. D2S will match contributions up to 3%. These employer matches totaled \$21,754 and \$21,669, for the years ended June 30, 2015 and 2014, respectively.

10. SUBSEQUENT EVENTS:

Subsequent events have been evaluated through the report date, which represents the date the financial statements were available to be issued. Subsequent events after that date have not been evaluated.

## **SUPPLEMENTARY SCHEDULES**

**INDEPENDENT AUDITORS' REPORT  
ON SUPPLEMENTARY SCHEDULES**

Board of Directors  
Dare 2 Share Ministries, Inc.  
Arvada, Colorado

We have audited the financial statements of Dare 2 Share Ministries, Inc. as of and for the years ended June 30, 2015 and 2014, and our report thereon dated October 6, 2015, which expresses an unmodified opinion on those financial statements, appears on page 1. Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of functional expenses are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

*Capin Crouse LLP*

Centennial, Colorado  
October 6, 2015



# DARE TO SHARE MINISTRIES, INC.

## Schedules of Functional Expenses

	Year Ended June 30,							
	2015				2014			
	Program Services	Supporting Activities		Total	Program Services	Supporting Activities		Total
	Management and General	Fund- raising			Management and General	Fund- raising		
Salaries and benefits	\$ 1,049,236	\$ 186,879	\$ 57,496	\$ 1,293,611	\$ 992,200	\$ 179,825	\$ 55,692	\$ 1,227,717
Venue and production costs	753,304	-	-	753,304	872,853	-	-	872,853
Travel and entertainment	226,658	10,074	15,110	251,842	196,626	8,279	2,070	206,975
Office and other	143,699	47,391	10,057	201,147	99,472	32,926	6,960	139,358
Cost of sales	159,626	-	-	159,626	196,802	-	-	196,802
Honorariums	142,173	1,451	1,451	145,075	147,416	2,256	752	150,424
Depreciation and amortization	92,578	33,071	6,614	132,263	77,619	27,721	5,544	110,884
Professional fees	38,245	30,047	63,642	131,934	43,034	33,230	2,452	78,716
Postage and shipping	117,009	1,791	597	119,397	164,995	2,525	842	168,362
Occupancy	80,472	28,740	5,748	114,960	73,469	26,239	5,248	104,956
Promotions and giveaways	96,606	6,166	-	102,772	54,209	3,460	-	57,669
Printing	86,610	1,786	893	89,289	130,891	2,699	1,350	134,940
Advertising	-	88,117	-	88,117	-	77,778	-	77,778
Bank service charges	35,042	9,344	2,336	46,722	46,569	12,418	3,105	62,092
Telephone	16,726	5,973	1,195	23,894	18,958	6,771	1,354	27,083
<b>Total Expenses</b>	<b>\$ 3,037,984</b>	<b>\$ 450,830</b>	<b>\$ 165,139</b>	<b>\$ 3,653,953</b>	<b>\$ 3,115,113</b>	<b>\$ 416,127</b>	<b>\$ 85,369</b>	<b>\$ 3,616,609</b>