



dare 2 share

**DARE 2 SHARE
MINISTRIES, INC.**

Financial Statements
With Independent Auditors' Report

December 31, 2021 and 2020

DARE 2 SHARE MINISTRIES, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Dare 2 Share Ministries, Inc.
Wheat Ridge, Colorado

Opinion

We have audited the accompanying financial statements of Dare 2 Share Ministries, Inc., which comprise the statements of financial position as of December 31, 2021 and 2020, and the related statements of activities, 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 Dare 2 Share Ministries, Inc. as of December 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Dare 2 Share Ministries, Inc. 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 these 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 Dare 2 Share Ministries, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Board of Directors
Dare 2 Share Ministries, Inc.
Wheat Ridge, Colorado

Auditors' Responsibilities for the Audit 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 auditors' 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 an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- 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 audit 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 Dare 2 Share Ministries, Inc.'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 Dare 2 Share Ministries, Inc.'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 audit.

Capin Crouse LLP

Centennial, Colorado
April 12, 2022

DARE 2 SHARE MINISTRIES, INC.

Statements of Financial Position

	December 31,	
	2021	2020
ASSETS:		
Cash and cash equivalents	\$ 2,634,858	\$ 1,886,087
Investments	-	52,723
Inventory–net	53,526	48,636
Prepaid expenses and other assets	296,677	302,787
Software, furniture, and equipment–net	496,386	433,104
	<hr/>	<hr/>
Total Assets	\$ 3,481,447	\$ 2,723,337
	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND NET ASSETS:		
Liabilities:		
Accounts payable	\$ 120,474	\$ 43,558
Accrued expenses	136,546	111,047
Deferred revenue	178,573	208,597
Capital lease obligations	26,132	10,894
Total Liabilities	<hr/> 461,725	<hr/> 374,096
	<hr/>	<hr/>
Net assets:		
Net assets without donor restrictions	2,786,867	2,306,205
Net assets with donor restrictions	232,855	43,036
Total Net Assets	<hr/> 3,019,722	<hr/> 2,349,241
	<hr/>	<hr/>
Total Liabilities and Net Assets	\$ 3,481,447	\$ 2,723,337
	<hr/> <hr/>	<hr/> <hr/>

See notes to financial statements

DARE 2 SHARE MINISTRIES, INC.

Statements of Activities

	Year Ended December 31,					
	2021			2020		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE:						
Contributions	\$ 3,914,207	\$ 438,817	\$ 4,353,024	\$ 3,443,483	\$ 193,900	\$ 3,637,383
Government grants	-	-	-	262,053	-	262,053
Honorariums and other income	52,867	-	52,867	89,620	-	89,620
Conference revenue-net	332,153	-	332,153	84,852	-	84,852
Sales	44,635	-	44,635	23,576	-	23,576
Gain on disposal of software, furniture, and equipment	5,400	-	5,400	-	-	-
Total Support and Revenue	4,349,262	438,817	4,788,079	3,903,584	193,900	4,097,484
NET ASSETS RELEASED FROM:						
Purpose restrictions	248,998	(248,998)	-	198,997	(198,997)	-
EXPENSES:						
Program services:						
Events and conferences	1,211,259	-	1,211,259	845,213	-	845,213
Resources and other	968,954	-	968,954	789,909	-	789,909
Gospel advancing ministries	927,064	-	927,064	701,058	-	701,058
	<u>3,107,277</u>	<u>-</u>	<u>3,107,277</u>	<u>2,336,180</u>	<u>-</u>	<u>2,336,180</u>
Support activities:						
General and administrative	232,385	-	232,385	190,880	-	190,880
Fund-raising	777,936	-	777,936	619,167	-	619,167
	<u>1,010,321</u>	<u>-</u>	<u>1,010,321</u>	<u>810,047</u>	<u>-</u>	<u>810,047</u>
Total Expenses	4,117,598	-	4,117,598	3,146,227	-	3,146,227
Change in Net Assets	480,662	189,819	670,481	956,354	(5,097)	951,257
Net Assets, Beginning of Year	2,306,205	43,036	2,349,241	1,349,851	48,133	1,397,984
Net Assets, End of Year	<u>\$ 2,786,867</u>	<u>\$ 232,855</u>	<u>\$ 3,019,722</u>	<u>\$ 2,306,205</u>	<u>\$ 43,036</u>	<u>\$ 2,349,241</u>

See notes to financial statements

DARE 2 SHARE MINISTRIES, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2021

	Program Services:				Supporting Activities:			Total
	Events and Conferences	Resources and Others	Gospel Advancing Ministries	Program Services Total	General and Administrative	Fund- raising	Supporting Activities Total	
Salaries and benefits	\$ 576,684	\$ 373,448	\$ 591,778	\$ 1,541,910	\$ 106,231	\$ 84,829	\$ 191,060	\$ 1,732,970
Events and production costs	382,374	35,453	14,968	432,795	8,698	415,286	423,984	856,779
Professional fees	183,414	231,507	64,029	478,950	33,605	194,731	228,336	707,286
Occupancy	-	73,033	65,913	138,946	26,052	8,684	34,736	173,682
Advertising	8,801	139,745	7,956	156,502	435	3,515	3,950	160,452
Depreciation and amortization	1,319	19,781	76,160	97,260	22,419	14,506	36,925	134,185
Office and other	12,973	71,298	21,097	105,368	16,625	8,909	25,534	130,902
Travel and entertainment	22,642	10,342	49,551	82,535	14,529	29,139	43,668	126,203
Postage and printing	16,102	14,347	2,823	33,272	2,192	3,457	5,649	38,921
Cost of goods sold	-	-	32,009	32,009	-	-	-	32,009
Bank service fees	6,950	-	780	7,730	1,599	14,880	16,479	24,209
Total Expenses	\$ 1,211,259	\$ 968,954	\$ 927,064	\$ 3,107,277	\$ 232,385	\$ 777,936	\$ 1,010,321	\$ 4,117,598
Percent of Total Expenses	29%	23%	23%	75%	6%	19%	25%	100%

See notes to financial statements

DARE 2 SHARE MINISTRIES, INC.

Statement of Functional Expenses

For the Year Ended December 31, 2020

	Program Services:				Supporting Activities:			Total
	Events and Conferences	Resources and Others	Gospel Advancing Ministries	Program Services Total	General and Administrative	Fund- raising	Supporting Activities Total	
Salaries and benefits	\$ 526,498	\$ 340,850	\$ 511,192	\$ 1,378,540	\$ 94,731	\$ 77,427	\$ 172,158	\$ 1,550,698
Events and production costs	238,421	10,688	17,432	266,541	9,159	370,119	379,278	645,819
Professional fees	6,668	191,537	29,566	227,771	32,634	142,547	175,181	402,952
Occupancy	-	56,701	51,130	107,831	20,203	6,734	26,937	134,768
Advertising	1,748	100,654	2,227	104,629	635	804	1,439	106,068
Depreciation and amortization	21,021	21,021	42,350	84,392	10,510	-	10,510	94,902
Office and other	7,617	26,118	12,497	46,232	12,565	1,878	14,443	60,675
Travel and entertainment	17,177	28,849	18,258	64,284	7,405	6,841	14,246	78,530
Postage and printing	22,829	13,491	3,373	39,693	1,405	3,895	5,300	44,993
Cost of goods sold	-	-	12,571	12,571	-	-	-	12,571
Bank service fees	3,234	-	462	3,696	1,633	8,922	10,555	14,251
Total Expenses	\$ 845,213	\$ 789,909	\$ 701,058	\$ 2,336,180	\$ 190,880	\$ 619,167	\$ 810,047	\$ 3,146,227
Percent of Total Expenses	27%	25%	22%	74%	6%	20%	26%	100%

See notes to financial statements

DARE 2 SHARE MINISTRIES, INC.

Statements of Cash Flows

	December 31,	
	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	\$ 670,481	\$ 951,257
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	134,185	94,902
Donated stock	(252,062)	(131,084)
Gain on disposal of software, furniture, and equipment	(5,400)	-
Loss (gain) on investments	(7,206)	45,963
Forgiveness of Paycheck Protection Program loan	-	(262,053)
Change in operating assets and liabilities:		
Inventory—net	(4,890)	4,265
Prepaid expenses and other assets	6,110	(162,719)
Accounts payable	76,916	(8,354)
Accrued expenses	25,499	25,539
Deferred revenue	(30,024)	36,997
Net Cash Provided by Operating Activities	613,609	594,713
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of software, furniture, and equipment	(177,648)	(259,185)
proceeds from disposal of software, furniture, and equipment	5,400	-
Proceeds from sale of investments	311,991	204,518
Net Cash Provided (Used) by Investing Activities	139,743	(54,667)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Payments on capital lease obligation	(4,581)	(4,454)
Proceeds from Paycheck Protection Program loan	-	262,053
Net Cash Provided (Used) by Financing Activities	(4,581)	257,599
Change in Cash and Cash Equivalents	748,771	797,645
Cash and Cash Equivalents, Beginning of Year	1,886,087	1,088,442
Cash and Cash Equivalents, End of Year	\$ 2,634,858	\$ 1,886,087
NON-CASH TRANSACTION:		
Forgiveness of Paycheck Protection Program loan	\$ -	\$ 262,053
Software, furniture, and equipment acquired through capital lease	\$ 19,819	\$ -

See notes to financial statements

DARE 2 SHARE MINISTRIES, INC.

Notes to Financial Statements

December 31, 2021 and 2020

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 donations from individuals, churches, and foundations.

D2S is a nonprofit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code (IRC) and comparable state laws. However, D2S is subject to federal income tax on any unrelated business taxable income. In addition, D2S is not classified as a private foundation within the meaning of Section 509(a) of the IRC.

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, money market accounts, and petty cash on hand. As of December 31, 2021 and 2020, D2S's cash balances exceeded federally insured limits by approximately \$2,172,000 and \$1,312,000, respectively. 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 and equity stock. Realized and unrealized gains and losses are included as revenue without donor restrictions within honorariums and other income, 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 and equity stock are reported at fair value based on the Fair Value Measurement Topic of the Financial Accounting Standards Board (FASB) Accounting Standards Codification, 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 December 31, 2021 and 2020, which values inputs at quoted prices in active markets for identical assets.

DARE 2 SHARE MINISTRIES, INC.

Notes to Financial Statements

December 31, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

INVENTORY

Inventory consists of clothing and course materials. Inventory is valued at the lower of cost or net realizable value on the first-in, first-out method. As of December 31, 2021 and 2020, management recorded an allowance of \$0, respectively, for obsolete inventory that is expected to be given away or sold at a discount.

SOFTWARE, FURNITURE, AND EQUIPMENT

Software, 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 \$2,000. Depreciation and amortization are computed on the straight-line basis over estimated useful lives, which range from three to ten years.

PREPAID EXPENSES AND OTHER ASSETS

Prepaid expenses and other assets consist of prepaid expenses for upcoming events and capitalized production costs. Capitalized production costs consist of costs incurred mainly for the production of Shine curriculum, Gospelize program, and Gospel Advancing Ministry application. Amortization is computed on the straight-line basis over the estimated useful life of three years. Capitalized production costs were fully amortized as of, December 31, 2021 and 2020.

DEFERRED REVENUE

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

NET ASSETS

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

Net assets without donor restrictions are those resources currently available at the discretion of the board for use in the operations of D2S.

Net assets with donor restrictions are those resources stipulated by donors for specific purposes.

DARE 2 SHARE MINISTRIES, INC.

Notes to Financial Statements

December 31, 2021 and 2020

2. SIGNIFICANT ACCOUNTING POLICIES, continued:

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 net assets with donor restrictions if they are received with donor stipulations that limit the use of the donated amounts through purpose or time restrictions, or both. When donor restrictions expire, that is, when the purpose restriction is fulfilled or the time restriction expires, the net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions 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.

During the years ended December 31, 2021 and 2020, D2S recorded \$1,500 and \$0, of donated goods, \$163,317 and \$2,800, of donated rent, and \$5,364 and \$61,000, of donated professional services, respectively, within contributions on the statements of activities for various services that met the criteria to be recorded under accounting standards. Additionally, D2S also has a substantial amount of volunteers who donate time to the programs of D2S; however, these volunteer hours do not meet the criteria to be recorded under accounting standards.

Conference revenue is recorded when earned, which is when the conferences are held. Conference revenue is shown net of discounts and scholarships of \$16,950 and \$54,800, for the years ended December 31, 2021 and 2020, respectively.

Sales income is recognized when the order is received and fulfilled. Honorariums 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 and functional expenses. Accordingly, certain costs, such as depreciation, salaries, and benefits, have been allocated among the program services and supporting activities benefited. The functional allocation for depreciation and occupancy costs are based on the office space used for each department and salaries and benefits expense is allocated based on the employee role and time spent between the major programs.

DARE 2 SHARE MINISTRIES, INC.

Notes to Financial Statements

December 31, 2021 and 2020

3. LIQUIDITY AND FUNDS AVAILABLE:

D2S has approximately \$2,635,000 and \$1,939,000, of financial assets available within one year of the statements of financial position date as of December 31, 2021 and 2020, respectively. This amount consists of cash and cash equivalents and investments. None of the financial assets are subject to donor or other contractual restrictions that make them unavailable for general expenditure within one year of the statements of financial position date.

D2S structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. Management monitors cash flows closely through finance committee meetings and detailed financial analysis.

4. INVESTMENTS:

Investments consist of:

	December 31,	
	2021	2020
Equity stock	\$ -	\$ 52,723

5. SOFTWARE, FURNITURE, AND EQUIPMENT—NET:

Software, furniture, and equipment—net, consist of:

	December 31,	
	2021	2020
Software	\$ 406,016	\$ 532,138
Website development	343,341	343,341
Furniture and equipment	179,236	177,492
	928,593	1,052,971
Construction in progress	109,700	2,800
	1,038,293	1,055,771
Less accumulated depreciation and amortization	(541,907)	(622,667)
	\$ 496,386	\$ 433,104

DARE 2 SHARE MINISTRIES, INC.

Notes to Financial Statements

December 31, 2021 and 2020

6. CAPITAL LEASE OBLIGATIONS:

D2S has three leases for various office equipment under capital lease obligations. The cost of this equipment was \$43,954 and \$24,135, as of December 31, 2021 and 2020, respectively. The related accumulated amortization was \$12,277 and \$8,275, as of December 31, 2021 and 2020, respectively. Amortization expense of \$6,100 and \$4,827, for the leased software, furniture, and equipment is included on the statements of activities for the years ended December 31, 2021 and 2020, respectively. The maturity date for these capital leases is July 2023 and July 2026, with total yearly payments ranging between \$4,827 to \$9,207, respectively.

7. INTENTIONS TO GIVE:

During the years ended December 31, 2021 and 2020, D2S obtained intentions to give during the President's Gathering. The intentions to give are subject to unilateral change by the donor and are not considered unconditional. Therefore, they are not recognized prior to the receipt of the contributions and are not recorded as contributions receivable in the statements of financial position. Intentions to give are approximately \$3,053,000 and \$3,590,000, as of December 31, 2021 and 2020, respectively.

8. OPERATING LEASES:

D2S leases office space and equipment in Wheat Ridge, Colorado. Rent expense under this lease for the years ended December 31, 2021 and 2020, was \$117,723 and \$110,286, respectively. During the year ended December 31, 2020, the lessor broke the office space lease that was to expire March 2022. D2S entered into a lease for new office space with a maturity date of July 2030. Future minimum lease payments for the new office space, equipment and other commitments are:

<u>Year Ending December 31,</u>	
2022	\$ 100,128
2023	85,387
2024	74,578
2025	76,684
2026	78,854
Thereafter	<u>285,386</u>
	<u>\$ 701,017</u>

DARE 2 SHARE MINISTRIES, INC.

Notes to Financial Statements

December 31, 2021 and 2020

9. 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 venues, speaker honorariums, and other services totaling \$938,068 and \$382,550, as of December 31, 2021 and 2020, respectively. If an event is cancelled, D2S may still be required to pay some of the contract.

10. DEFINED CONTRIBUTION PLAN:

D2S has a defined contribution plan covering all employees who have worked for the D2S for more than six months. D2S matches contributions up to 3%. These employer matches totaled \$29,354 and \$20,201, for the years ended December 31, 2021 and 2020, respectively.

11. RELATED PARTY TRANSACTIONS:

During the years ended December 31, 2021 and 2020, D2S received donations from members of the board of directors totaling approximately \$761,000 and \$697,000, respectively, which is included in contributions on the statements of activities.

12. RISKS AND UNCERTAINTIES:

In March 2020, the World Health Organization declared the outbreak of the coronavirus (COVID-19) as a pandemic which continues to spread throughout the United States. COVID-19 has caused a severe negative impact on the world economy and has contributed to significant declines and volatility in financial markets. The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of D2S for future periods. Management is carefully monitoring the situation and evaluating its options as circumstances evolve.

13. SUBSEQUENT EVENTS:

Subsequent events were evaluated through April 12, 2022, which is the date the financial statements were available to be issued.