



**DARE 2 SHARE  
MINISTRIES, INC.**

Financial Statements  
With Independent Auditors' Report

December 31, 2022 and 2021

# 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, 2022 and 2021, 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, 2022 and 2021, 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 14, 2023

# DARE 2 SHARE MINISTRIES, INC.

## Statements of Financial Position

	December 31,	
	2022	2021
<b>ASSETS:</b>		
Cash and cash equivalents	\$ 2,434,159	\$ 2,634,858
Inventory—net	57,453	53,526
Prepaid expenses and other assets	410,531	296,677
Operating leases—right of use assets	498,384	-
Financing leases—right of use asset	15,548	-
Software, leasehold improvements, furniture, and equipment—net	706,955	496,386
Total Assets	<u>\$ 4,123,030</u>	<u>\$ 3,481,447</u>
<b>LIABILITIES AND NET ASSETS:</b>		
Liabilities:		
Accounts payable	\$ 70,159	\$ 120,474
Accrued expenses	181,106	136,546
Deferred revenue	159,333	178,573
Operating lease obligations	539,380	-
Financing lease obligations	15,321	-
Capital lease obligations	-	26,132
Total liabilities	<u>965,299</u>	<u>461,725</u>
Net assets:		
Net assets without donor restrictions	2,770,789	2,786,867
Net assets with donor restrictions	386,942	232,855
Total net assets	<u>3,157,731</u>	<u>3,019,722</u>
Total Liabilities and Net Assets	<u>\$ 4,123,030</u>	<u>\$ 3,481,447</u>

See notes to financial statements

## DARE 2 SHARE MINISTRIES, INC.

### Statements of Activities

	Year Ended December 31,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
<b>SUPPORT AND REVENUE:</b>						
Contributions	\$ 3,960,676	\$ 510,095	\$ 4,470,771	\$ 3,744,026	\$ 438,817	\$ 4,182,843
Contributed services	196,291	-	196,291	170,181	-	170,181
Honorariums and other income	90,723	-	90,723	52,867	-	52,867
Conference revenue–net	397,808	-	397,808	332,153	-	332,153
Sales	115,257	-	115,257	44,635	-	44,635
Gain on disposal of software, furniture, and equipment	-	-	-	5,400	-	5,400
<b>Total Support and Revenue</b>	<b>4,760,755</b>	<b>510,095</b>	<b>5,270,850</b>	<b>4,349,262</b>	<b>438,817</b>	<b>4,788,079</b>
<b>NET ASSETS RELEASED FROM:</b>						
Purpose restrictions	356,008	(356,008)	-	248,998	(248,998)	-
<b>EXPENSES:</b>						
Program services:						
Events and conferences	1,319,614	-	1,319,614	1,211,259	-	1,211,259
Resources and other	1,184,007	-	1,184,007	968,954	-	968,954
Gospel advancing ministries	1,301,663	-	1,301,663	927,064	-	927,064
	<b>3,805,284</b>	<b>-</b>	<b>3,805,284</b>	<b>3,107,277</b>	<b>-</b>	<b>3,107,277</b>

(continued)

See notes to financial statements

## DARE 2 SHARE MINISTRIES, INC.

### Statements of Activities (continued)

	Year Ended December 31,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Support activities:						
General and administrative	288,975	-	288,975	232,385	-	232,385
Fund-raising	1,038,582	-	1,038,582	777,936	-	777,936
	1,327,557	-	1,327,557	1,010,321	-	1,010,321
Total Expenses	5,132,841	-	5,132,841	4,117,598	-	4,117,598
Change in Net Assets	(16,078)	154,087	138,009	480,662	189,819	670,481
Net Assets, Beginning of Year	2,786,867	232,855	3,019,722	2,306,205	43,036	2,349,241
Net Assets, End of Year	\$ 2,770,789	\$ 386,942	\$ 3,157,731	\$ 2,786,867	\$ 232,855	\$ 3,019,722

See notes to financial statements

## DARE 2 SHARE MINISTRIES, INC.

### Statement of Functional Expenses

For the Year Ended December 31, 2022

	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	\$ 523,150	\$ 568,190	\$ 696,812	\$ 1,788,152	\$ 187,662	\$ 231,405	\$ 419,067	\$ 2,207,219
Events and production costs	527,225	63,196	39,061	629,482	2,597	509,831	512,428	1,141,910
Professional fees	210,464	213,743	137,863	562,070	28,465	163,737	192,202	754,272
Travel and entertainment	25,331	14,162	119,321	158,814	17,585	77,286	94,871	253,685
Advertising	8,149	160,262	15,184	183,595	898	3,641	4,539	188,134
Occupancy	-	79,556	61,877	141,433	25,951	8,840	34,791	176,224
Depreciation and amortization	643	9,638	110,305	120,586	11,453	7,068	18,521	139,107
Office and other	11,528	57,364	30,237	99,129	9,339	18,175	27,514	126,643
Cost of goods sold	-	-	61,871	61,871	-	-	-	61,871
Postage and printing	13,124	17,564	9,832	40,520	3,754	9,284	13,038	53,558
Bank service fees	-	332	19,300	19,632	1,271	9,315	10,586	30,218
<b>Total Expenses</b>	<b>\$ 1,319,614</b>	<b>\$ 1,184,007</b>	<b>\$ 1,301,663</b>	<b>\$ 3,805,284</b>	<b>\$ 288,975</b>	<b>\$ 1,038,582</b>	<b>\$ 1,327,557</b>	<b>\$ 5,132,841</b>
<b>Percent of Total Expenses</b>	<b>26%</b>	<b>23%</b>	<b>25%</b>	<b>74%</b>	<b>6%</b>	<b>20%</b>	<b>26%</b>	<b>100%</b>

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
Travel and entertainment	22,642	10,342	49,551	82,535	14,529	29,139	43,668	126,203
Advertising	8,801	139,745	7,956	156,502	435	3,515	3,950	160,452
Occupancy	-	73,033	65,913	138,946	26,052	8,684	34,736	173,682
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
Cost of goods sold	-	-	32,009	32,009	-	-	-	32,009
Postage and printing	16,102	14,347	2,823	33,272	2,192	3,457	5,649	38,921
Bank service fees	6,950	-	780	7,730	1,599	14,880	16,479	24,209
<b>Total Expenses</b>	<b>\$ 1,211,259</b>	<b>\$ 968,954</b>	<b>\$ 927,064</b>	<b>\$ 3,107,277</b>	<b>\$ 232,385</b>	<b>\$ 777,936</b>	<b>\$ 1,010,321</b>	<b>\$ 4,117,598</b>
<b>Percent of Total Expenses</b>	<b>29%</b>	<b>23%</b>	<b>23%</b>	<b>75%</b>	<b>6%</b>	<b>19%</b>	<b>25%</b>	<b>100%</b>

See notes to financial statements

# DARE 2 SHARE MINISTRIES, INC.

## Statements of Cash Flows

	December 31,	
	2022	2021
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ 138,009	\$ 670,481
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Depreciation and amortization	139,107	134,185
Non-cash effect of change in accounting principle	15,528	-
Donated stock	(61,886)	(252,062)
Gain on disposal of software, furniture, and equipment	-	(5,400)
Loss (gain) on investments	501	(7,206)
Change in operating assets and liabilities:		
Inventory—net	(3,927)	(4,890)
Prepaid expenses and other assets	(113,854)	6,110
Accounts payable	(50,315)	76,916
Accrued expenses	44,560	25,499
Deferred revenue	(19,240)	(30,024)
Net Cash Provided by Operating Activities	88,483	613,609
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of software, furniture, and equipment	(341,529)	(177,648)
proceeds from disposal of software, furniture, and equipment	-	5,400
Proceeds from sale of investments	61,385	311,991
Net Cash Provided (Used) by Investing Activities	(280,144)	139,743
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Principal payments on financing leases	(9,038)	(4,581)
Net Cash Used by Financing Activities	(9,038)	(4,581)
Change in Cash and Cash Equivalents	(200,699)	748,771
Cash and Cash Equivalents, Beginning of Year	2,634,858	1,886,087
Cash and Cash Equivalents, End of Year	\$ 2,434,159	\$ 2,634,858
<b>NON-CASH TRANSACTION:</b>		
Software, furniture, and equipment acquired through capital lease	\$ -	\$ 19,819
Right-of-use assets obtained in exchange for operating lease obligations	\$ 567,448	\$ -
Right-of-use assets obtained in exchange for financing lease obligations	\$ 23,695	\$ -

See notes to financial statements

# DARE 2 SHARE MINISTRIES, INC.

## Notes to Financial Statements

December 31, 2022 and 2021

### 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, 2022 and 2021, D2S's cash balances exceeded federally insured limits by approximately \$1,988,000 and \$2,172,000, respectively. D2S has not experienced any losses in such accounts.

#### 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, 2022 and 2021, management recorded an allowance of \$0, respectively, for obsolete inventory that is expected to be given away or sold at a discount.

#### FINANCING AND OPERATING LEASES - RIGHT OF USE ASSETS AND OBLIGATIONS

D2S adopted Accounting Standards Update (ASU) 2016-02 (see recently adopted accounting standard below) and its related amendments as of January 1, 2022, which resulted in the recognition of operating leases right-of-use assets totaling \$498,384 as of December 31, 2022, as well as operating leases obligations totaling \$539,380. The financing leases presented in the statements of financial position include assets of \$15,548 and lease obligations of \$15,321, as of December 31, 2022. D2S elected to adopt the transition relief provisions from ASU 2018-11 and recorded the impact of adoption as of January 1, 2022 without restating prior-year amounts. The additional lease disclosures can be found in Note 5 and Note 6.

# DARE 2 SHARE MINISTRIES, INC.

## Notes to Financial Statements

December 31, 2022 and 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### 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, 2022 and 2021.

#### SOFTWARE, LEASEHOLD IMPROVEMENTS, FURNITURE, AND EQUIPMENT

Software, leasehold improvements, 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.

#### 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.

#### 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.

# DARE 2 SHARE MINISTRIES, INC.

## Notes to Financial Statements

December 31, 2022 and 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### SUPPORT AND REVENUE, continued

During the years ended December 31, 2022 and 2021, D2S recorded \$1,288 and \$1,500, of donated goods, \$189,482 and \$163,317, of donated rent, and \$5,521 and \$5,364, of donated professional services, respectively, within contributed services 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 \$53,145 and \$16,950, for the years ended December 31, 2022 and 2021, 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.

#### RECENTLY ADOPTED ACCOUNTING STANDARDS

In 2016, Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2016-02, *Leases* (Topic 842 of the Accounting Standards Codification [ASC]). The amendments in this update require organizations that lease assets to recognize on the statement of financial position the assets and liabilities for the rights and obligations created by the leases. A lessee is required to recognize assets and liabilities for leases with terms of more than 12 months. The amendments are effective for fiscal years beginning after December 15, 2021. D2S adopted this update for the year ended December 31, 2022. Some of D2S's contracts contain the right to control the use of property or assets and are therefore considered leases. D2S elected to adopt the transition relief provisions from ASU 2018-11, *Leases (Topic 842): Targeted Improvements* and recorded the impact of adoption as of January 1, 2022, without restating any prior-year amounts. D2S also elected to bifurcate the lease and nonlease components. The additional lease disclosures can be found in Notes 5 and 6. The effect of the adjustment to the opening balance of net assets totaled \$15,528. As it was deemed immaterial, the net asset difference was adjusted through occupancy expenses on the statements of activities and functional expenses. This amount is reported as a non-cash effect of change in accounting principle on the statements of cash flows.

# DARE 2 SHARE MINISTRIES, INC.

## Notes to Financial Statements

December 31, 2022 and 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES, continued:

#### RECENTLY ADOPTED ACCOUNTING STANDARDS, continued

During the year ended December 31, 2022, D2S adopted Accounting Standards Update (ASU) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958 of the FASB ASC). ASU 2020-07 increases transparency of contributed nonfinancial assets for not-for-profit (NFP) entities through enhancements to presentation and disclosure. Adoption of this standard did not have a significant impact on the financial statements, with the exception of increased disclosure.

### 3. LIQUIDITY AND FUNDS AVAILABLE:

D2S has approximately \$2,434,000 and \$2,635,000, of financial assets available within one year of the statements of financial position date as of December 31, 2022 and 2021, respectively. This amount consists of cash and cash equivalents. 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

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. SOFTWARE, LEASEHOLD IMPROVEMENTS, FURNITURE, AND EQUIPMENT—NET:

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

	December 31,	
	2022	2021
Software and computers	\$ 519,824	\$ 406,016
Leasehold improvements	262,687	-
Website development	231,911	343,341
Furniture and equipment	92,660	179,236
	<u>1,107,082</u>	<u>928,593</u>
Construction in progress	96,976	109,700
	<u>1,204,058</u>	<u>1,038,293</u>
Less accumulated depreciation and amortization	<u>(497,103)</u>	<u>(541,907)</u>
	<u>\$ 706,955</u>	<u>\$ 496,386</u>

# DARE 2 SHARE MINISTRIES, INC.

## Notes to Financial Statements

December 31, 2022 and 2021

### 5. OPERATING LEASES—RIGHT OF USE ASSETS AND OBLIGATIONS:

D2S leases office space and equipment under noncancelable operating leases expiring in 2030. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. The leases require monthly payments ranging from \$692 to \$5,609. Discount rates on these leases range from 0.59% to 1.59%. Total expense incurred under the operating lease for the year ended December 31, 2022 was \$78,129.

	<u>December 31, 2022</u>
Operating lease right-of-use assets	\$ 498,384
Operating lease liabilities	\$ 539,380
Operating lease costs	\$ 78,129
Weighted-average discount rate	1.58%
Weighted-average remaining lease term	7.08 years

Future minimum lease payments required under the operating lease that has an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Year Ending December 31,</u>	
2023	\$ 71,613
2024	70,198
2025	72,304
2026	74,473
2027	76,707
Thereafter	<u>208,679</u>
	573,974
Less imputed interest	<u>(34,594)</u>
	<u>\$ 539,380</u>

# DARE 2 SHARE MINISTRIES, INC.

## Notes to Financial Statements

December 31, 2022 and 2021

### 6. FINANCING LEASES—RIGHT OF USE ASSET AND OBLIGATION:

D2S leases equipment under two noncancelable financing leases expiring at various dates through 2026. The discount rate represents the risk-free discount rate using a period comparable with that of the individual lease term on the inception date of the lease. One lease requires monthly payments of \$402 and one requires quarterly payments of \$365. Discount rates on these leases range from 0.59% to 0.91%.

	<u>December 31, 2022</u>
Financing lease right-of-use asset	\$ 15,548
Financing lease liability	\$ 15,321
Financing lease costs:	
Amortization of right-of-use assets	\$ 8,147
Interest on lease liabilities	\$ 169
Weighted-average discount rate	0.87%
Weighted-average remaining lease term	2.70 years

Future minimum lease payments required under the finance leases that have an initial or remaining non-cancelable lease term in excess of one year are as follows:

<u>Year Ending December 31,</u>	
2023	\$ 6,391
2024	4,380
2025	4,380
2026	365
	<u>\$ 15,516</u>
Less imputed interest	<u>(195)</u>
	<u>\$ 15,321</u>

### 7. CAPITAL LEASE OBLIGATIONS:

Prior to the adoption of ASUs 2016-02 and 2018-11 under Topic 842 as described in Note 2, D2S was applying Topic 840 in relation to equipment under capital lease obligations. During the year ended December 31, 2021, the cost of this equipment was \$43,954. The related accumulated amortization was \$12,277, as of December 31, 2021. Amortization expense of \$6,100 for the leased software, furniture, and equipment is included on the statements of activities for the year ended December 31, 2021.



# DARE 2 SHARE MINISTRIES, INC.

## Notes to Financial Statements

December 31, 2022 and 2021

8. OPERATING LEASES:

Prior to the adoption of ASUs 2016-02 and 2018-11 under Topic 842 as described in Note 2, D2S was applying Topic 840 in relation to operating leases. During the year ended December 31, 2021, the ministry had operating lease expenses of \$117,723.

9. NET ASSETS WITH DONOR RESTRICTIONS:

Net assets with donor restrictions are available for the following purposes:

	December 31,	
	2022	2021
Gospel Advancement summit	\$ 165,036	\$ -
D2S Live	91,420	160,000
Urban Initiative	82,377	-
LMS	32,845	72,855
Language Translations	15,264	-
	<u>\$ 386,942</u>	<u>\$ 232,855</u>

10. CONTRIBUTED SERVICES:

D2S's gift-in-kind activity is summarized below:

	December 31,	
	2022	2021
Donated rent	\$ 189,482	\$ 163,317
Donated professional services	5,521	5,364
Donated goods	1,288	1,500
	<u>\$ 196,291</u>	<u>\$ 170,181</u>

Donated rent is valued by using the discount explicit on the invoices received for rental services provided as well as valued at the estimated fair market value based on rates that would have been paid for comparable properties located in similar location. Donated professional services and donated goods are valued at the amounts explicit on the vendor invoices. During the years ended December 31, 2022 and 2021, there were no associated donor restrictions on the contributed services.

# DARE 2 SHARE MINISTRIES, INC.

## Notes to Financial Statements

December 31, 2022 and 2021

11. INTENTIONS TO GIVE:

During the years ended December 31, 2022 and 2021, 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 \$1,938,000 and \$3,053,000, as of December 31, 2022 and 2021, respectively.

12. 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 \$1,296,336 and \$938,068, as of December 31, 2022 and 2021, respectively. If an event is cancelled, D2S may still be required to pay some of the contract.

13. DEFINED CONTRIBUTION PLAN:

D2S has a defined contribution plan covering all employees who have worked for D2S for more than six months. D2S matches contributions up to 3%. These employer matches totaled \$35,215 and \$29,354, for the years ended December 31, 2022 and 2021, respectively.

14. RELATED PARTY TRANSACTIONS:

During the years ended December 31, 2022 and 2021, D2S received donations from members of the board of directors totaling approximately \$671,000 and \$761,000, respectively, which is included in contributions on the statements of activities.

15. SUBSEQUENT EVENTS:

Subsequent to the year ended December 31, 2022, D2S entered into a strategic partnership with an outside organization to accelerate the mission of D2S. As part of this contract, D2S has committed future payments of \$615,492 from January 2023 to December 2025.

Subsequent events were evaluated through April 14, 2023, which is the date the financial statements were available to be issued.