

VENN FOUNDATION
FINANCIAL STATEMENTS
YEAR ENDED DECEMBER 31, 2017

**VENN FOUNDATION
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YEAR ENDED DECEMBER 31, 2017**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Venn Foundation
St. Paul, Minnesota

We have audited the accompanying financial statements of Venn Foundation, which comprise the balance sheet as of December 31, 2017, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 auditors' 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
Venn Foundation

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Venn Foundation as of December 31, 2017, and the changes in its net assets, its functional expenses, and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
March 22, 2018

**VENN FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2017**

ASSETS

Cash and Cash Equivalents	\$ 457,130
Prepaid Expenses	<u>2,414</u>
Total Assets	<u><u>\$ 459,544</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 1,425
Accrued Expenses and Other Liabilities	<u>5,747</u>
Total Liabilities	7,172

NET ASSETS

Unrestricted	<u>452,372</u>
Total Net Assets	<u>452,372</u>
Total Liabilities and Net Assets	<u><u>\$ 459,544</u></u>

See accompanying Notes to Financial Statements.

**VENN FOUNDATION
STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2017**

	Unrestricted	Temporarily Restricted	Total
REVENUE AND SUPPORT			
Contributions	\$ 593,598	\$ -	\$ 593,598
Investment Income	39	-	39
Total Revenue and Support	593,637	-	593,637
EXPENSES			
Program Services Expense	29,506	-	29,506
Management and General	96,946	-	96,946
Fundraising and Development	10,911	-	10,911
Total Expenses	137,363	-	137,363
CHANGE IN NET ASSETS	456,274	-	456,274
Net Assets - Beginning of Year	(3,902)	-	(3,902)
NET ASSETS - END OF YEAR	\$ 452,372	\$ -	\$ 452,372

See accompanying Notes to Financial Statements.

VENN FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2017

	Program Services	Management and General	Fundraising	Total
Salaries and Wages	\$ 10,000	\$ 30,000	\$ 10,000	\$ 50,000
Payroll Taxes	883	2,650	883	4,416
Total Payroll	<u>10,883</u>	<u>32,650</u>	<u>10,883</u>	<u>54,416</u>
Client Development and Engagement	1,124	-	-	1,124
Accounting Fees	-	8,957	-	8,957
Legal Fees	13,133	54,384	-	67,517
Investment Management Fees	2,736	-	-	2,736
Research, Evaluation, and Reporting	1,330	-	-	1,330
Fundraising	-	-	28	28
Marketing and Communications	-	287	-	287
Insurance	-	108	-	108
Occupancy	300	300	-	600
Supplies	-	260	-	260
Miscellaneous	-	-	-	-
Total Expenses	<u>\$ 29,506</u>	<u>\$ 96,946</u>	<u>\$ 10,911</u>	<u>\$ 137,363</u>

See accompanying Notes to Financial Statements.

**VENN FOUNDATION
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2017**

CASH FLOWS FROM OPERATING ACTIVITIES

Changes in Net Assets	\$ 456,274
Adjustments to Reconcile Changes in Net Assets to Net Cash Provided by Operating Activities:	
(Increase) Decrease in:	
Prepaid Expenses	(2,414)
Increase (Decrease) in:	
Accounts Payable	(2,656)
Accrued Expenses	5,747
Net Cash Provided by Operating Activities	<u>456,951</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	456,951
Cash and Cash Equivalents - Beginning of Year	<u>179</u>
CASH AND CASH EQUIVALENTS - END OF YEAR	<u><u>\$ 457,130</u></u>

See accompanying Notes to Financial Statements.

**VENN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

Venn Foundation (the Foundation) is a nonprofit organization on a mission to unleash the full power of Program-Related Investments (PRIs) to advance charitable impact. By opening a special donor-advised fund called a Venn Account, any individual or organization can recommend that their charitable dollars be used by the Foundation to make PRIs. The Foundation can syndicate any one PRI among any number of Venn Accounts. Financial returns from these PRIs go back to participating accounts pro rata for the donors to recommend redeployment into new PRIs or grants. The Foundations vision is to create a new category of flexible, below-market-rate capital that can be directed creatively to projects and organizations across all sectors that are helping advance charitable goals.

Cash and Cash Equivalents

Venn Foundation considers all cash and highly liquid financial instruments with original maturities of three months or less, and which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. At times, such amounts may be in excess of the FDIC insurance limits. The Foundation has not experienced any loss associated with this practice.

Net Assets Classification

Net assets are classified based on donor-imposed restrictions. Accordingly, net assets of the Foundation and changes therein are classified and reported as follows:

Unrestricted – Resources over which the board of directors has discretionary control. Designated amounts represent those revenues that the board has set aside as disaster relief funds for Best Buy employees.

Temporarily Restricted – Resources subject to donor imposed restrictions which will be satisfied by actions of the Foundation or passage of time.

Permanently Restricted – Resources subject to donor imposed restrictions that they be maintained permanently by the Foundation.

The Foundation has no temporarily or permanently restricted net assets.

Revenue and Revenue Recognition

Revenue is recognized when earned. Contributions are recognized when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give are not recognized until the conditions on which they depend have been substantially met.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statement of activities. The statement of functional expenses presents the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

**VENN FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2017 AND 2016**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

Venn Foundation is exempt from federal and state income taxes under Section 501(c)(3) of the Internal Revenue Code and similar state income tax laws. The Foundation is a public charity and contributions to the Foundation qualify as a charitable tax deduction by the contributor.

The Foundation's tax returns are subject to review and examination by federal, state, and local authorities.

Subsequent Events

Venn Foundation has evaluated subsequent events through March 22, 2018, the date the financial statements were available to be issued.

NOTE 2 CONCENTRATION RISKS

Three contributors accounted for approximately 81% of total contribution revenue for the year ended December 31, 2017.

NOTE 3 RELATED PARTY TRANSACTIONS

During the year ended December 31, 2017, approximately 16% of contribution revenue was made up of contributions from a private foundation for which a Foundation board member serves as president.