

**GIVE MN**

**FINANCIAL STATEMENTS**

**FROM INCEPTION DATE OF MAY 7, 2009 THROUGH  
DECEMBER 31, 2009**

**GIVE MN**  
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# LarsonAllen<sup>®</sup> LLP

CPAs, Consultants & Advisors

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## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Give MN  
Saint Paul, Minnesota

We have audited the accompanying statement of financial position of Give MN (the Organization) from inception date of May 7, 2009 through December 31, 2009, and the related statement of activities and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. 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 of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Organization as of December 31, 2009, and the changes in its net assets and its cash flows from inception date of May 7, 2009 through December 31, 2009 are in conformity with accounting principles generally accepted in the United States of America.

*LarsonAllen LLP*  
LarsonAllen LLP

Minneapolis, Minnesota  
May 12, 2010



**GIVE MN**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2009**

**ASSETS**

Cash	\$ 412,109
Contributions Receivable	535,526
Prepaid Expenses	<u>11,667</u>
Total Assets	<u><u>\$ 959,302</u></u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES**

Accounts Payable and Accrued Expenses	\$ 114,081
Grants Payable	50,151
Loan Payable	<u>500,000</u>
Total Liabilities	664,232

**NET ASSETS**

Unrestricted	<u>295,070</u>
Total Liabilities and Net Assets	<u><u>\$ 959,302</u></u>

*See accompanying Notes to Financial Statements.*

**GIVE MN  
STATEMENT OF ACTIVITIES  
FROM INCEPTION DATE OF MAY 7, 2009 THROUGH DECEMBER 31, 2009**

	<u>Unrestricted</u>
<b>REVENUE, GAIN (LOSSES) AND OTHER SUPPORT</b>	
Contributions	\$ 1,902,811
<b>EXPENSE</b>	
Program Services:	
Nonprofit Grants and Support	1,240,198
Support Services:	
Management and General	351,056
Fundraising	16,487
Total Support Services	367,543
Total Expenses	1,607,741
<b>CHANGE IN NET ASSETS</b>	295,070
Net Assets - Beginning of Year	-
<b>NET ASSETS - END OF YEAR</b>	\$ 295,070

*See accompanying Notes to Financial Statements.*

**GIVE MN**  
**STATEMENT OF CASH FLOWS**  
**FROM INCEPTION DATE OF MAY 7, 2009 THROUGH DECEMBER 31, 2009**

**CASH FLOWS FROM OPERATING ACTIVITIES**

Change in Net Assets	\$ 295,070
Adjustments to Reconcile Change in Net Assets to Net Cash	
Changes in Operating Assets and Liabilities:	
Accounts Receivable	(535,526)
Prepaid Expenses	(11,667)
Accounts Payable and Accrued Expenses	114,081
Grants Payable	50,151
Net Cash Used by Operating Activities	(87,891)

**CASH FLOWS PROVIDED BY FINANCING ACTIVITIES**

Proceeds from Loan Payable	500,000
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**NET INCREASE IN CASH AND CASH EQUIVALENTS**

412,109

Cash - Beginning of Year

-

**CASH - END OF YEAR**

\$ 412,109

*See accompanying Notes to Financial Statements.*

**GIVE MN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

GiveMN (the Organization) is a Type I supporting organization of Minnesota Community Foundation and is operated exclusively for charitable, scientific or educational purposes within the meaning of Section 501(c)(3) of the Internal Revenue Code of 1986. Through this relationship with Minnesota Community Foundation, the Organization is also affiliated with The Saint Paul Foundation through the Foundation Services Organization. GiveMN is a web-based charitable giving platform created to facilitate and encourage charitable philanthropy in the state of Minnesota and to support all non-profit organizations in the state. Although incorporated on May 7, 2009, the Organization started activity on November 1, 2009.

GiveMN licenses the use of an online, web-based solution through Razoo, LLC, to connect Minnesota charities with Minnesota donors. Razoo, a Delaware limited liability corporation, provides a solution which allows donors to quickly locate, connect and donate to a charity of choice. It is GiveMN's goal to host the most dynamic giving marketplace in the country that is the destination for charitable giving in the state of Minnesota.

**Financial Statement Presentation**

The accompanying financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles.

**Net Asset Classifications**

Net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Net assets of the Organization and changes therein are classified into the following three categories:

Unrestricted Net Assets – Represent the portion of expendable funds that are available for support of the operation of the Organization.

Temporarily Restricted Net Assets – Consist of contributions and income that have been restricted by the donor for specific purposes or are not available for use until a specific time.

Permanently Restricted Net Assets – Consist of contributions that have been restricted by the donor that stipulate the resources be maintained permanently, but permit the Organization to use or expend part or all of the income derived from the donated assets for either specified or unspecified purposes.

The Organization did not have any temporarily or permanently restricted net assets as of December 31, 2009.

**GIVE MN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Cash**

The Organization maintains a cash account with a local bank. At times, the total cash on deposit exceeds the federally insured limit. The Organization has not experienced any loss as a result of these deposits.

**Grants**

Unconditional grants are recorded as expense when approved by the Organization's Board of Directors. Grants that are subject to conditions are recorded when the conditions have been substantially met.

**Cash Flows**

For the purposes of presenting cash flows, cash equivalents include short-term investments with maturities of three months or less, except for cash equivalents included in investments.

**Use of Estimates**

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**Tax Status**

The Organization has submitted an application for exempt status with the Internal Revenue Service.

The Organization follows guidance in the income tax standard regarding the recognition of uncertain tax positions. This guidance prescribes recognition threshold principles for the financial statement recognition of tax positions taken or expected to be taken on a tax return that are not certain to be realized. There is no impact on the Organization's financial statements. The Organization's tax returns are subject to review and examination by federal authorities.

**Subsequent Events**

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 12, 2010, the date the financial statements were available to be issued.



**GIVE MN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**NOTE 2    LOAN PAYABLE**

At December 31, 2009 the Organization had a \$500,000 loan balance with Minnesota Community Foundation. This loan was used primarily to provide funding for the Organization during the start-up phase of operations. The loan does not bear interest and is due in 2010.

**NOTE 3    GRANTS PAYABLE**

Unconditional grants authorized, but not yet paid totaled \$50,151 at December 31, 2009. These grants were paid in the first quarter of 2010.

**NOTE 4    RELATED-PARTY TRANSACTIONS**

The Organization, under the terms of a written agreement, receives administrative and staff services from The Saint Paul Foundation. For the year ended December 31, 2009, expenses incurred for these services were \$85,278. At December 31, 2009, accounts payable and accrued expenses reflect \$34,110 of unpaid obligations under this agreement.

The Organization also received contributions from the Minnesota Community Foundation and The Saint Paul Foundation from inception date of May 7, 2009 through December 31, 2009 in the amount of \$1,814,061. Funds received from the Minnesota Community Foundation include funds raised from other non-related foundations. As of December 31, 2009 the amount shown as a contribution receivable for these funds was approximately \$535,000.

**NOTE 5    WEBSITE CONTRIBUTIONS**

From inception date of May 7, 2009 through December 31, 2009, the website hosted and sponsored by the Organization processed \$14,701,463 in contributions to 4,764 nonprofits in the State of Minnesota. A total of 70,477 donations were processed through the Razoo, LLC platform from 41,796 individual donors. Total fees paid by the Organization to process these donations were \$730,698.

**GIVE MN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2009**

**NOTE 6    COMMITMENTS**

At the end of 2009, the Organization signed a contract to support the web-based solution that runs through August 2013. This contract charges \$30,000 per quarter for license fees for the life of the contract resulting in total fees to be paid of \$450,000. The contract also charges \$20,000 per year for technical support hours resulting in total costs of \$80,000 over the life of the contract.

This contract also provides for a letter of credit to be provided to the Organization. The letter of credit that is available begins at \$100,000 and decreases by \$20,000 every 12 months. The letter of credit can be terminated upon the provider reaching revenue of a certain threshold. As of December 31, 2009, there was no outstanding draws on the letter of credit.