

GiveMN

FINANCIAL STATEMENTS

**YEAR ENDED DECEMBER 31, 2010 AND
PERIOD FROM INCEPTION DATE OF MAY 7, 2009
THROUGH DECEMBER 31, 2009**

GiveMN
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PERIOD FROM INCEPTION DATE OF MAY 7, 2009 THROUGH DECEMBER 31, 2009

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LarsonAllen[®] LLP

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INDEPENDENT AUDITORS' REPORT

Board of Directors
GiveMN
Saint Paul, Minnesota

We have audited the accompanying statements of financial position of GiveMN (the Organization) for the years ended December 31, 2010 and 2009, and the related statements of activities and cash flows for the year ended December 31, 2010 and the period from inception date of May 7, 2009 through December 31, 2009. 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 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 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 audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the statements of financial position of the Organization as of December 31, 2010 and 2009, and the changes in its net assets and its cash flows for the periods then ended in conformity with accounting principles generally accepted in the United States of America.

LarsonAllen LLP
LarsonAllen LLP

Minneapolis, Minnesota
April 28, 2011

GiveMN
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2010 AND 2009

	2010	2009
ASSETS		
Cash	\$ 32,796	\$ 412,109
Contributions Receivable	493,824	535,526
Prepaid Expenses	-	11,667
	\$ 526,620	\$ 959,302
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 124,539	\$ 114,081
Grants Payable	-	50,151
Loan Payable	-	500,000
Total Liabilities	124,539	664,232
NET ASSETS		
Unrestricted	402,081	295,070
Total Liabilities and Net Assets	\$ 526,620	\$ 959,302

See accompanying Notes to Financial Statements.

GiveMN
STATEMENTS OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2010 AND
PERIOD FROM INCEPTION DATE OF MAY 7, 2009 THROUGH DECEMBER 31, 2009

	2010	2009
SUPPORT AND REVENUES		
Contributions	\$ 1,241,135	\$ 1,902,811
EXPENSE		
Program Services:		
Nonprofit Grants and Support	277,315	509,500
Other Program Expenses	438,462	849,506
Total Program Services	715,777	1,359,006
Support Services:		
Management and General	366,889	232,248
Fundraising	51,458	16,487
Total Support Services	418,347	248,735
Total Expenses	1,134,124	1,607,741
CHANGE IN NET ASSETS	107,011	295,070
Unrestricted Net Assets - Beginning of Year	295,070	-
UNRESTRICTED NET ASSETS - END OF YEAR	\$ 402,081	\$ 295,070

See accompanying Notes to Financial Statements.

GiveMN
STATEMENTS OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2010 AND
PERIOD FROM INCEPTION DATE OF MAY 7, 2009 THROUGH DECEMBER 31, 2009

	2010	2009
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 107,011	\$ 295,070
Adjustments to Reconcile Change in Net Assets to Net Cash		
Changes in Operating Assets and Liabilities:		
Contributions Receivable	41,702	(535,526)
Prepaid Expenses	11,667	(11,667)
Accounts Payable and Accrued Expenses	10,458	114,081
Grants Payable	(50,151)	50,151
Net Cash Provided (Used) by Operating Activities	120,687	(87,891)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Loan Payable	-	500,000
Payments on Loan Payable	(500,000)	-
Net Cash Provided (Used) by Financing Activities	(500,000)	500,000
NET INCREASE (DECREASE) IN CASH	(379,313)	412,109
Cash - Beginning of Year	412,109	-
CASH - END OF YEAR	\$ 32,796	\$ 412,109

See accompanying Notes to Financial Statements.

GiveMN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 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, 2010 and 2009.

GiveMN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

Contributions, including unconditional promises to give, are recognized as revenue in the period received and are reported as increases in the appropriate category of net assets. Contributions where donor restrictions are met in the same fiscal year as the contribution are included in unrestricted net assets. Conditional promises to give are not recognized until they become unconditional, that is when the conditions on which they depend are substantially met.

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. Cash includes short-term investments with maturities of three months or less.

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 is a nonprofit corporation exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code.

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 2009 tax return is subject to review and examination by federal authorities.

GiveMN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Functional Allocation of Expenses

The expenses are summarized on a functional basis. Salaries and related expenses are allocated by function based on job descriptions and the best estimates of management. Expenses other than salaries and related expenses, which are not directly identifiable by program or support service, are allocated based on the best estimates of management.

Fair Value Measurements

The Organization follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and requires expanded disclosures about fair value measurements. The Organization currently does not measure any of its assets or liabilities at fair value.

Reclassifications

Certain reclassifications have been made to the 2009 financial statements in order to present them in conformity with the 2010 financial statements. These reclassifications had no effect on net assets as previously reported.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through April 28, 2011, the date the financial statements were available to be issued.

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 was paid in full in 2010.

NOTE 3 GRANTS PAYABLE

Unconditional grants authorized, but not yet paid totaled \$-0- and \$50,151 at December 31, 2010 and 2009, respectively. These grants were paid in the subsequent quarter.

GiveMN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE 4 RELATED-PARTY TRANSACTIONS

The Organization, under the terms of an agreement, receives administrative and staff services from The Saint Paul Foundation. For the periods ended December 31, 2010 and 2009, expenses incurred for these services were \$306,304 and \$85,278, respectively. At December 31, 2010 and 2009, accounts payable and accrued expenses reflect \$87,237 and \$34,110, respectively, of unpaid obligations under this agreement.

The Organization also received contributions from the Minnesota Community Foundation and The Saint Paul Foundation of \$1,013,242 and \$1,814,061 as of December 31, 2010 and 2009, respectively. Funds received from the Minnesota Community Foundation include funds raised from other non-related foundations. As of December 31, 2010 and 2009, the amount shown as a contribution receivable for these funds was \$493,824 and \$535,526, respectively. The entire receivable is due within the next year. As of December 31, 2010 and 2009, no allowance has been recorded for this receivable.

NOTE 5 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, 2010, there were no outstanding draws on the letter of credit.