

GiveMN

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2011 AND 2010

GiveMN
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YEARS ENDED DECEMBER 31, 2011 AND 2010

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CliftonLarsonAllen LLP
www.cliftonlarsonallen.com

INDEPENDENT AUDITORS' REPORT

Board of Directors
GiveMN
Saint Paul, Minnesota

We have audited the accompanying statements of financial position of GiveMN (the Organization) as of December 31, 2011 and 2010, and the related statements of activities and cash flows for the years 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 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, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads 'CliftonLarsonAllen LLP'.

CliftonLarsonAllen LLP

Minneapolis, Minnesota
May 29, 2012

GiveMN
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010

	2011	2010
ASSETS		
Cash	\$ 372,629	\$ 32,796
Contributions Receivable	89,749	493,824
Inventory	6,610	-
	\$ 468,988	\$ 526,620
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 129,409	\$ 124,539
Total Liabilities	129,409	124,539
NET ASSETS		
Unrestricted	339,579	402,081
Total Liabilities and Net Assets	\$ 468,988	\$ 526,620

See accompanying Notes to Financial Statements.

GiveMN
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
SUPPORT AND REVENUES		
Contributions	\$ 705,551	\$ 1,241,135
EXPENSE		
Program Services:		
Nonprofit Grants and Support	199,546	277,315
Other Program Expenses	349,138	438,462
Total Program Services	548,684	715,777
Support Services:		
Management and General	175,755	366,889
Fundraising	43,614	51,458
Total Support Services	219,369	418,347
Total Expense	768,053	1,134,124
CHANGE IN NET ASSETS	(62,502)	107,011
Unrestricted Net Assets - Beginning of Year	402,081	295,070
UNRESTRICTED NET ASSETS - END OF YEAR	\$ 339,579	\$ 402,081

See accompanying Notes to Financial Statements.

GiveMN
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (62,502)	\$ 107,011
Adjustments to Reconcile Change in Net Assets to Net Cash		
Changes in Operating Assets and Liabilities:		
Contributions Receivable	404,075	41,702
Prepaid Expenses	-	11,667
Inventory	(6,610)	-
Accounts Payable and Accrued Expenses	4,870	10,458
Grants Payable	-	(50,151)
Net Cash Provided by Operating Activities	339,833	120,687
CASH FLOWS FROM FINANCING ACTIVITIES		
Payments on Loan Payable	-	(500,000)
Net Cash Used by Financing Activities	-	(500,000)
NET INCREASE (DECREASE) IN CASH	339,833	(379,313)
Cash - Beginning of Year	32,796	412,109
CASH - END OF YEAR	\$ 372,629	\$ 32,796

See accompanying Notes to Financial Statements.

GiveMN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

GiveMN (the Organization) is a Type I supporting organization of Minnesota Community Foundation. 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.

GiveMN licenses the use of an online, web-based solution through Razoo Global Corp to connect Minnesota charities with Minnesota donors. Razoo Global Corp, a Delaware corporation, provides a solution which allows donors to quickly locate, connect and donate to a charity of choice. To facilitate the donation processing GiveMN entered into an agreement with Razoo Foundation. Razoo Foundation, a Delaware nonprofit corporation, promotes, receives, administers, and regrants contributions as advised by the donor to qualified public charities.

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, 2011 and 2010.

GiveMN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

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.

Inventory

Inventory consists of gift cards held for sale. Inventory is valued at the actual cost of the gift cards.

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.

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 2010 and 2009 tax returns are subject to review and examination by federal authorities.

GiveMN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

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.

Subsequent Events

In preparing these financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 29, 2012, the date the financial statements were available to be issued.

NOTE 2 RELATED-PARTY TRANSACTIONS

The Organization, under the terms of an agreement, receives administrative and staff services from The Saint Paul Foundation. These services are reimbursed by GiveMN on a quarterly basis. For the years ended December 31, 2011 and 2010, expenses incurred for these services were \$358,952 and \$306,304 respectively. At December 31, 2011 and 2010, accounts payable and accrued expenses reflect \$111,275 and \$87,237, respectively, of unpaid obligations under this agreement.

The Organization also received contributions from the Minnesota Community Foundation and The Saint Paul Foundation of \$369,208 and \$1,013,242 as of December 31, 2011 and 2010, respectively. Funds received from the Minnesota Community Foundation include funds raised from other non-related foundations. As of December 31, 2011 and 2010, the amount shown as a contribution receivable for these funds was \$35,823 and \$493,824, respectively. The entire receivable is due within the next year. As of December 31, 2011 and 2010, no allowance has been recorded for this receivable.

GiveMN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

NOTE 3 COMMITMENTS

In August of 2009, the Organization entered into an online charitable donation solution agreement where Razoo Global Corporation agreed to license hosted access to an online web-based solution through August of 2013. The agreement was amended in January of 2011 so that the payment terms more appropriately reflect the deeper strategic alliance and partnership. The Organization will pay a license fee to Razoo Global Corporation based on the aggregate donations made during the previous year. The annual license fees paid to Razoo Global Corporation are \$50,000 and \$120,000 for the years ended December 31, 2011 and 2010, respectively.

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, 2011 and 2010, there were no outstanding draws on the letter of credit.