

GiveMN

FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2012 AND 2011

GiveMN
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YEARS ENDED DECEMBER 31, 2012 AND 2011

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INDEPENDENT AUDITORS' REPORT

Board of Directors
GiveMN
Saint Paul, Minnesota

We have audited the accompanying financial statements of GiveMN (a nonprofit organization), which comprise the statements of financial position as of December 31, 2012 and 2011, and the related statements of activities and cash flows for the years 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 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 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
GiveMN

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GiveMN as of December 31, 2012 and 2011, 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.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
May 14, 2013

GiveMN
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2012 AND 2011

	2012	2011
ASSETS		
Cash	\$ 699,378	\$ 372,629
Contributions Receivable	51,036	89,749
Inventory	2,595	6,610
Total Assets	\$ 753,009	\$ 468,988
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable and Accrued Expenses	\$ 207,049	\$ 129,409
Grants Payable	25,000	-
Total Liabilities	232,049	129,409
NET ASSETS		
Unrestricted	460,960	339,579
Temporarily Restricted	60,000	-
Total Net Assets	520,960	339,579
Total Liabilities and Net Assets	\$ 753,009	\$ 468,988

See accompanying Notes to Financial Statements.

GiveMN
STATEMENTS OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012			2011		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
REVENUE AND OTHER SUPPORT						
Contributions	\$ 961,978	\$ 60,000	\$ 1,021,978	\$ 705,551	\$ -	\$ 705,551
EXPENSE						
Program Services:						
Nonprofit Grants and Support	243,175	-	243,175	199,546	-	199,546
Other Program Expenses	375,998	-	375,998	349,138	-	349,138
Total Program Services	<u>619,173</u>	<u>-</u>	<u>619,173</u>	<u>548,684</u>	<u>-</u>	<u>548,684</u>
Support Services:						
Management and General	178,129	-	178,129	175,755	-	175,755
Fundraising	43,295	-	43,295	43,614	-	43,614
Total Support Services	<u>221,424</u>	<u>-</u>	<u>221,424</u>	<u>219,369</u>	<u>-</u>	<u>219,369</u>
Total Expenses	<u>840,597</u>	<u>-</u>	<u>840,597</u>	<u>768,053</u>	<u>-</u>	<u>768,053</u>
CHANGE IN NET ASSETS	121,381	60,000	181,381	(62,502)	-	(62,502)
Net Assets - Beginning of Year	<u>339,579</u>	<u>-</u>	<u>339,579</u>	<u>402,081</u>	<u>-</u>	<u>402,081</u>
NET ASSETS - END OF YEAR	<u>\$ 460,960</u>	<u>\$ 60,000</u>	<u>\$ 520,960</u>	<u>\$ 339,579</u>	<u>\$ -</u>	<u>\$ 339,579</u>

See accompanying Notes to Financial Statements.

GiveMN
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2012 AND 2011

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 181,381	\$ (62,502)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Changes in Operating Assets and Liabilities:		
Contributions Receivable	38,713	404,075
Inventory	4,015	(6,610)
Accounts Payable and Accrued Expenses	77,640	4,870
Grants Payable	25,000	-
Net Cash Provided by Operating Activities	326,749	339,833
NET INCREASE IN CASH	326,749	339,833
Cash - Beginning of Year	372,629	32,796
CASH - END OF YEAR	\$ 699,378	\$ 372,629

See accompanying Notes to Financial Statements.

GiveMN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

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.

As of December 31, 2012, the organization had temporarily restricted net assets of \$60,000, of which \$30,000 was restricted for time and \$30,000 restricted for purpose. There were no temporarily restricted net assets at December 31, 2011.

The Organization did not have any permanently restricted net assets as of December 31, 2012 and 2011.

GiveMN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Contributions

Contributions and unconditional promises to give are recognized as revenue in the period received and are reported as increases in the appropriate category of net assets. All contributions are available for unrestricted use unless specifically restricted by the donor. Donor-restricted contributions are reported as increases in temporarily restricted 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. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history.

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 face value of the gift cards.

Grants

Unconditional grants are recorded as expense when earned based on criteria and guidelines published by the Organization with endorsement 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.

GiveMN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2010, and 2011 tax returns are subject to review and examination by federal authorities.

Functional Allocation of Expenses

The expenses are summarized on a functional basis. Salaries and related expenses are allocated based on direct time spent on program and support activities. 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 14, 2013, 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, 2012 and 2011, expenses incurred for these services were \$399,129 and \$358,952 respectively. At December 31, 2012 and 2011, accounts payable and accrued expenses reflect \$139,942 and \$111,275, respectively, of unpaid obligations under this agreement.

GiveMN
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2012 AND 2011

NOTE 2 RELATED-PARTY TRANSACTIONS (CONTINUED)

The Organization also received contributions from the Minnesota Community Foundation and The Saint Paul Foundation of \$349,234 and \$369,208 as of December 31, 2012 and 2011, respectively. Funds received from the Minnesota Community Foundation include funds raised from other non-related foundations. As of December 31, 2012 and 2011, the amount shown as a contribution receivable for these funds was \$-0- and \$35,823, respectively. The entire receivable is due within the next year. As of December 31, 2012 and 2011, no allowance has been recorded for this receivable.

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 for the years ended December 31, 2012 and 2011, 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, 2012 and 2011, there were no outstanding draws on the letter of credit.