

**GiveMN**

**FINANCIAL STATEMENTS**

**YEARS ENDED DECEMBER 31, 2017 AND 2016**

**GiveMN**  
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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, 2017 and 2016, 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, 2017 and 2016, 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  
August 28, 2018

**GiveMN**  
**STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2017 AND 2016**

	2017	2016
<b>ASSETS</b>		
Cash	\$ 606,039	\$ 779,501
Contributions Receivable	223,951	93,725
Website Development Costs, Net	23,796	50,326
Other Assets	187	600
Total Assets	\$ 853,973	\$ 924,152
<b>LIABILITIES AND NET ASSETS</b>		
<b>LIABILITIES</b>		
Accounts Payable and Accrued Expenses	\$ 198,234	\$ 188,350
Other Liabilities	1,420	2,895
Total Liabilities	199,654	191,245
<b>NET ASSETS</b>		
Unrestricted	634,319	692,907
Temporarily Restricted	20,000	40,000
Total Net Assets	654,319	732,907
Total Liabilities and Net Assets	\$ 853,973	\$ 924,152

*See accompanying Notes to Financial Statements.*

**GiveMN**  
**STATEMENTS OF ACTIVITIES**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017			2016		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>REVENUE AND OTHER SUPPORT</b>						
Contributions	\$ 678,702	\$ 20,000	\$ 698,702	\$ 555,505	\$ 40,000	\$ 595,505
Donation Processing Fees	261,371	-	261,371	283,955	-	283,955
Sponsorship Revenue	9,500	-	9,500	96,750	-	96,750
Released from Restrictions	40,000	(40,000)	-	45,000	(45,000)	-
Total Revenue and other Support	<u>989,573</u>	<u>(20,000)</u>	<u>969,573</u>	<u>981,210</u>	<u>(5,000)</u>	<u>976,210</u>
<b>EXPENSE</b>						
Program Services:						
Nonprofit Grants and Support	161,000	-	161,000	228,000	-	228,000
Other Program Expenses	693,907	-	693,907	643,958	-	643,958
Total Program Services	<u>854,907</u>	<u>-</u>	<u>854,907</u>	<u>871,958</u>	<u>-</u>	<u>871,958</u>
Support Services:						
Management and General	151,637	-	151,637	119,712	-	119,712
Fundraising	41,617	-	41,617	43,493	-	43,493
Total Support Services	<u>193,254</u>	<u>-</u>	<u>193,254</u>	<u>163,205</u>	<u>-</u>	<u>163,205</u>
Total Expense	<u>1,048,161</u>	<u>-</u>	<u>1,048,161</u>	<u>1,035,163</u>	<u>-</u>	<u>1,035,163</u>
<b>CHANGE IN NET ASSETS</b>	(58,588)	(20,000)	(78,588)	(53,953)	(5,000)	(58,953)
Net Assets - Beginning of Year	<u>692,907</u>	<u>40,000</u>	<u>732,907</u>	<u>746,860</u>	<u>45,000</u>	<u>791,860</u>
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 634,319</u>	<u>\$ 20,000</u>	<u>\$ 654,319</u>	<u>\$ 692,907</u>	<u>\$ 40,000</u>	<u>\$ 732,907</u>

See accompanying Notes to Financial Statements.

**GiveMN**  
**STATEMENTS OF CASH FLOWS**  
**YEARS ENDED DECEMBER 31, 2017 AND 2016**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (78,588)	\$ (58,953)
Adjustments to Reconcile Change in Net Assets to Net Cash Used by Operating Activities:		
Depreciation	26,530	34,282
Changes in Operating Assets and Liabilities:		
Contributions Receivable	(130,226)	19,064
Other Assets	413	(600)
Accounts Payable and Accrued Expenses	9,884	980
Other Liabilities	(1,475)	(2,830)
Net Cash Used by Operating Activities	(173,462)	(8,057)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Website Development Costs	-	(41,973)
<b>NET INCREASE (DECREASE) IN CASH</b>	(173,462)	(50,030)
Cash - Beginning of Year	779,501	829,531
<b>CASH - END OF YEAR</b>	\$ 606,039	\$ 779,501

*See accompanying Notes to Financial Statements.*

**GiveMN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**Organization**

As of December 31, 2017 GiveMN was a Type I supporting organization of Minnesota Community Foundation. GiveMN is a collaborative nonprofit venture to transform philanthropy in Minnesota. GiveMN ignites generosity and grows giving. GiveMN links donors with organizations that are working to make Minnesota a better place. By using new technologies and by providing creative ideas, GiveMN makes giving simple, rewarding, and fun.

In 2017, GiveMN's and Minnesota Community Foundation's respective Boards of Directors approved terminating GiveMN's supporting organization relationship with Minnesota Community Foundation effective January 1, 2018. On March 5, 2018 the IRS approved GiveMN's status change from a supporting organization to an independent 501(c)(3).

**Financial Statement Presentation**

The accompanying financial statements of GiveMN have been prepared in accordance with accounting principles generally accepted in the United States of America.

**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 GiveMN 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 GiveMN.

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 GiveMN 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, 2017, GiveMN had temporarily restricted net assets of \$20,000 which was restricted for the RaiseMN program. As of December 31, 2016, GiveMN had temporarily restricted net assets of \$40,000 which was restricted for time.

GiveMN did not have any permanently restricted net assets as of December 31, 2017 and 2016.



**GiveMN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

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

**Contributions and Contributions Receivable**

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.

For the years ended December 31, 2017 and 2016, approximately 76% and 73% of GiveMN's contribution revenue was from three donors, respectively.

For the years ended December 31, 2017 and 2016, one and three contributors made up approximately 99% and 90%, respectively, of the contribution receivable balance.

Professional in-kind services received by GiveMN are recorded as contributions at the fair market value for those services. Contributed in-kind professional services are recognized if those services (a) create or enhance long-lived assets or (b) require specialized skills; are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services received are recognized as contribution revenue and offset by like amounts included in expenses or assets. There were no contributed in-kind services received for the year ended December 31, 2017. In-kind services received for the year ended December 31, 2016 were \$4,400 in platform performance testing.

**Donation Processing Fees**

Donation processing fees are recognized in accordance with the underlying contracts and agreements. Revenue is earned based on donations facilitated by GiveMN.

**Sponsorship Revenue**

Sponsorship service revenue is recognized upon GiveMN providing the service back to the sponsor at the time of the event.

**Cash**

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

**GiveMN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

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

**Website Development Costs**

Website development costs are carried at cost and purchases in excess of \$1,000 are capitalized. Planning stage costs are expensed as incurred. Application, infrastructure, graphic and content development stage costs are generally capitalized. Operating stage costs are expensed as incurred. Capitalized website development costs are being depreciated over a period of three years and depreciation expense for the years ended December 31, 2017 and 2016 was \$26,530 and \$34,282, respectively. Website development costs capitalized as of December 31, 2017 and 2016 was \$132,260.

**Other Assets**

For purposes of financial statement presentation other assets include receivables from gift card sales.

**Grants**

Unconditional grants are recorded as expense when earned based on criteria and guidelines published by GiveMN with endorsement by GiveMN's board of directors. Grants that are subject to conditions are recorded when the conditions have been substantially met.

**Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America 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**

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

GiveMN follows accounting standards for uncertain tax positions. No liability has been recognized by GiveMN under this standard.

**Functional Allocation of Expenses**

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.

**GiveMN**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2017 AND 2016**

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

**Fair Value Measurements**

GiveMN 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. GiveMN currently does not measure any of its assets or liabilities at fair value.

**Subsequent Events**

In preparing these financial statements, GiveMN has evaluated events and transactions for potential recognition or disclosure through August 28, 2018, the date the financial statements were available to be issued.

**NOTE 2 RELATED-PARTY TRANSACTIONS**

GiveMN is related to The Saint Paul Foundation through the common board membership and management that exists between Minnesota Community Foundation and The Saint Paul Foundation. GiveMN, 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, 2017 and 2016, expenses incurred for these services were \$594,526 and \$540,134, respectively. At December 31, 2017 and 2016, accounts payable and accrued expenses reflect \$185,486 and \$165,925, respectively, of unpaid obligations under this agreement.

GiveMN also received contributions from the Minnesota Community Foundation and The Saint Paul Foundation of \$346,594 and \$300,604 for the years ended December 31, 2017 and 2016, respectively.