

GIVEMN

FINANCIAL STATEMENTS

**EIGHTEEN MONTHS ENDED JUNE 30, 2019 AND
TWELEVE MONTHS ENDED DECEMBER 31, 2017**

**GIVEMN
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TWELEVE MONTHS ENDED DECEMBER 31, 2017**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
GiveMN
Minneapolis, Minnesota

We have audited the accompanying financial statements of GiveMN (a nonprofit organization), which comprise the statements of financial position as of June 30, 2019 and December 31, 2017, and the related statements of activities, statement of functional expenses, and statements of cash flows for the eighteen months ended June 30, 2019 and the twelve months ended December 31, 2017, 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 June 30, 2019 and December 31, 2017, and the changes in its net assets and its cash flows for the eighteen months ended June 30, 2019 and the twelve months ended December 31, 2017 in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
April 24, 2020

GIVEMN
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2019 AND DECEMBER 31, 2017

	June 30, 2019	December 31, 2017
ASSETS		
Cash	\$ 597,939	\$ 606,039
Contributions Receivable	17,500	223,951
Prepaid Expenses and Other Assets	9,889	187
Website Development Costs, Net	-	23,796
Property and Equipment, Net	86,509	-
Total Assets	\$ 711,837	\$ 853,973
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 10,903	\$ 14,170
Accrued Expenses	41,746	185,484
Grants Payable	10,000	-
Deferred Rent	36,836	-
Total Liabilities	99,485	199,654
NET ASSETS		
Without Donor Restrictions	597,352	634,319
With Donor Restrictions	15,000	20,000
Total Net Assets	612,352	654,319
Total Liabilities and Net Assets	\$ 711,837	\$ 853,973

See accompanying Notes to Financial Statements.

GIVEMN
STATEMENTS OF ACTIVITIES
EIGHTEEN MONTHS ENDED JUNE 30, 2019 AND
TWELEVE MONTHS ENDED DECEMBER 31, 2017

	June 30, 2019			December 31, 2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT						
Contributions	\$ 1,089,651	\$ 15,000	\$ 1,104,651	\$ 678,702	\$ 20,000	\$ 698,702
Donation Processing Fees	296,513	-	296,513	261,371	-	261,371
Sponsorship Revenue	16,796	-	16,796	9,500	-	9,500
Loss on Disposal of Asset	(16,800)	-	(16,800)	-	-	-
Other Income	18,300	-	18,300	-	-	-
Released from Restrictions	20,000	(20,000)	-	40,000	(40,000)	-
Total Revenue and Other Support	<u>1,424,460</u>	<u>(5,000)</u>	<u>1,419,460</u>	<u>989,573</u>	<u>(20,000)</u>	<u>969,573</u>
EXPENSE						
Program Services Expense	1,238,776	-	1,238,776	854,907	-	854,907
Supporting Services Expense:						
Management and General	190,089	-	190,089	151,637	-	151,637
Fundraising	32,562	-	32,562	41,617	-	41,617
Total Supporting Services Expenses	<u>222,651</u>	<u>-</u>	<u>222,651</u>	<u>193,254</u>	<u>-</u>	<u>193,254</u>
Total Expense	<u>1,461,427</u>	<u>-</u>	<u>1,461,427</u>	<u>1,048,161</u>	<u>-</u>	<u>1,048,161</u>
CHANGE IN NET ASSETS	(36,967)	(5,000)	(41,967)	(58,588)	(20,000)	(78,588)
Net Assets - Beginning of Year	<u>634,319</u>	<u>20,000</u>	<u>654,319</u>	<u>692,907</u>	<u>40,000</u>	<u>732,907</u>
NET ASSETS - END OF YEAR	<u>\$ 597,352</u>	<u>\$ 15,000</u>	<u>\$ 612,352</u>	<u>\$ 634,319</u>	<u>\$ 20,000</u>	<u>\$ 654,319</u>

See accompanying Notes to Financial Statements.

GIVEMN
STATEMENT OF FUNCTIONAL EXPENSES
EIGHTEEN MONTHS ENDED JUNE 30, 2019 AND SUMMARIZED AMOUNTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2017

	June 30, 2019				December 31,	
	Program Services	Supporting Services			Total	2017
Management and General		Fundraising	Total Supporting Services	Total		
Salaries	\$ 587,076	\$ 52,771	\$ 19,789	\$ 72,560	\$ 659,636	\$ -
Payroll Taxes	47,138	4,237	1,589	5,826	52,964	-
Employee Benefits	92,331	8,299	3,112	11,411	103,742	-
Total Personnel Costs	<u>726,545</u>	<u>65,307</u>	<u>24,490</u>	<u>89,797</u>	<u>816,342</u>	<u>-</u>
Saint Paul & Minnesota Foundation						
Administrative Services	-	-	-	-	-	594,526
Professional Fees	57,801	111,631	4,000	115,631	173,432	130,876
Supplies	14,107	1,268	476	1,744	15,851	-
Occupancy	33,069	2,972	1,115	4,087	37,156	-
Utilities	9,285	835	313	1,148	10,433	3,356
Advertising and Promotion	68,889	-	-	-	68,889	44,446
Repairs and Maintenance	5,579	501	188	689	6,268	-
Meetings and Events	33,750	3,034	1,138	4,172	37,922	32,100
Grants and Prizes	263,857	-	-	-	263,857	172,526
Information Technology	914	-	-	-	914	35,133
Other Expense	-	2,296	-	2,296	2,296	5,804
Insurance	9,962	895	336	1,231	11,193	2,864
Depreciation	<u>15,018</u>	<u>1,350</u>	<u>506</u>	<u>1,856</u>	<u>16,874</u>	<u>26,530</u>
Total Expenses	<u><u>\$ 1,238,776</u></u>	<u><u>\$ 190,089</u></u>	<u><u>\$ 32,562</u></u>	<u><u>\$ 222,651</u></u>	<u><u>\$ 1,461,427</u></u>	<u><u>\$ 1,048,161</u></u>

See accompanying Notes to Financial Statements.

GIVEMN
STATEMENTS OF CASH FLOWS
EIGHTEEN MONTHS ENDED JUNE 30, 2019 AND
TWELEVE MONTHS ENDED DECEMBER 31, 2017

	June 30, 2019	December 31, 2017
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (41,967)	\$ (78,588)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided (Used) by Operating Activities:		
Depreciation	16,874	26,530
Leasehold Improvements Acquired Through Tenant Allowance	(34,395)	-
Loss on Disposal of Property and Equipment	16,800	-
Changes in Operating Assets and Liabilities:		
Contributions Receivable	206,451	(130,226)
Prepaid Expenses and Other Assets	(9,702)	413
Accounts Payable	(3,267)	9,884
Accrued Expenses	(143,738)	(1,475)
Grants Payable	10,000	-
Deferred Rent	36,836	-
Net Cash Provided (Used) by Operating Activities	<u>53,892</u>	<u>(173,462)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	<u>(61,992)</u>	<u>-</u>
Net Cash Used by Investing Activities	<u>(61,992)</u>	<u>-</u>
NET DECREASE IN CASH	(8,100)	(173,462)
Cash - Beginning of Year	<u>606,039</u>	<u>779,501</u>
CASH - END OF YEAR	<u>\$ 597,939</u>	<u>\$ 606,039</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES		
Leasehold Improvements Acquired Through Tenant Allowance	<u>\$ 34,395</u>	<u>\$ -</u>

See accompanying Notes to Financial Statements.

GIVEMN
NOTES TO FINANCIAL STATEMENTS
EIGHTEEN MONTHS ENDED JUNE 30, 2019 AND
TWELVE MONTHS ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

As of June 30, 2019, GiveMN was an independent 501(c)(3) public charity.

GiveMN is a collaborative nonprofit venture, transforming philanthropy in Minnesota by igniting generosity and growing giving. The promise of GiveMN's technology platform, training and outreach initiatives, and annual Give to the Max celebration is to provide every Minnesota organization and every Minnesota donor with the opportunity to make a difference in their community.

The GiveMN.org donor engagement platform is powered by Mightycause Corporation and Mightycause Charitable Foundation, which provides online giving and donor engagement tools to Minnesota organizations, allowing these organizations to connect with new and existing donors.

GiveMN launched its RaiseMN program in 2015 to provide additional resources to Minnesota organizations, offering professional consultation and group learning to help nonprofits grow their fundraising strategy and infrastructure.

GiveMN remains best known for Give to the Max, Minnesota's annual giving holiday that has grown rapidly to be one of the largest digital giving events in the country. This program combines the tools of the GiveMN.org platform with GiveMN's capacity-building expertise and media engagement, empowering Minnesota organizations to connect with their donors and celebrate philanthropy across the state.

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. Accordingly, net assets of GiveMN and changes therein are classified into the following categories:

Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

GIVEMN
NOTES TO FINANCIAL STATEMENTS
EIGHTEEN MONTHS ENDED JUNE 30, 2019 AND
TWELVE MONTHS ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classifications (Continued)

With Donor Restrictions – Net assets subject to donor- (or certain grantor-) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

GiveMN had no perpetual restricted net assets at June 30, 2019 and December 31, 2017. As of June 30, 2019 and December 31, 2017, GiveMN had net assets with donor restrictions of \$15,000 and \$20,000, respectively, which were restricted for time.

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 net assets with donor restrictions. Contributions where donor restrictions are met in the same fiscal year as the contribution are included in net assets without donor restrictions. 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. Management determined that all contributions receivable are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at June 30, 2019 and December 31, 2017.

For the eighteen months ended June 30, 2019 and the twelve months ended December 31, 2017, approximately 83% and 76% of GiveMN's contribution revenue was from three donors, respectively.

For the eighteen months ended June 30, 2019 and the twelve months ended December 31, 2017, one contributor made up approximately 86% and 99%, 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 eighteen months ended June 30, 2019 or the twelve months ended December 31, 2017.

GIVEMN
NOTES TO FINANCIAL STATEMENTS
EIGHTEEN MONTHS ENDED JUNE 30, 2019 AND
TWELEVE MONTHS ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 eighteen months ended June 30, 2019 and twelve months ended December 31, 2017 was \$6,996 and \$26,530, respectively. The website was disposed of during the eighteen month period ended June 30, 2019 and there was a \$16,800 loss on the disposal of the asset.

Property and Equipment

Property and equipment are stated at cost or fair value if contributed. Individual items costing more than \$1,000 and a useful life of more than one year are capitalized. Depreciation expense is computed using the straight-line method over estimated useful lives ranging from three to 7 years. When assets are retired or otherwise disposed of, the cost and related accumulated depreciation is removed from the accounts, and any resulting gain or loss is reflected in income for the period.

Grants

Unconditional grants are recorded as expense when earned based on criteria and guidelines published by GiveMN. Grants that are subject to conditions are recorded when the conditions have been substantially met.

Deferred Rent

GiveMN accounts for rent expense evenly over the term of the lease using the straight-line method. Unamortized deferred rent was \$36,836 and \$-0- at June 30, 2019 and December 31, 2017, respectively.

GIVEMN
NOTES TO FINANCIAL STATEMENTS
EIGHTEEN MONTHS ENDED JUNE 30, 2019 AND
TWELEVE MONTHS ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 or based on the salary allocations as indicated above.

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.

Change in Accounting Principle

On August 18, 2016, FASB issued Accounting Standards Update (ASU) 2016-14, *Not-for-Profit Entities (Topic 958) – Presentation of Financial Statements of Not-for-Profit Entities*. The update addresses the complexity and understandability of net asset classification, deficiencies in information about liquidity and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. GiveMN has implemented ASU 2016-14 and has adjusted the presentation in these financial statements accordingly. The ASU has been applied retrospectively to all periods presented, except for the presentation of the functional expenses, which resulted in no change to the total previously reported net assets.

GIVEMN
NOTES TO FINANCIAL STATEMENTS
EIGHTEEN MONTHS ENDED JUNE 30, 2019 AND
TWELEVE MONTHS ENDED DECEMBER 31, 2017

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Subsequent Events

In preparing these financial statements, GiveMN has evaluated events and transactions for potential recognition or disclosure through April 24, 2020, the date the financial statements were available to be issued. The Coronavirus Disease 2019 (COVID-19) has recently affected global markets, supply chains, employees of companies, and our communities. Specific to GiveMN, COVID-19 may impact various parts of its 2020 operations and financial results. GiveMN believes it is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as of June 30, 2019.

NOTE 2 RELATED-PARTY TRANSACTIONS

As of December 31, 2017, GiveMN was 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, received administrative and staff services from The Saint Paul Foundation. These services were reimbursed by GiveMN on a quarterly basis. For the eighteen months ended June 30, 2019 and the twelve months ended December 31, 2017, expenses incurred for these services were \$-0- and \$594,526, respectively. At June 30, 2019 and December 31, 2017, accrued expenses reflect \$-0- and \$185,486, respectively, of unpaid obligations under this agreement.

GiveMN also received contributions from the Minnesota Community Foundation and The Saint Paul Foundation of \$346,594 for the twelve months ended December 31, 2017.

Effective January 1, 2018, there is no longer an agreement between GiveMN and the Minnesota Community Foundation as the decision was made to terminate GiveMN's supporting organization relationship. On March 5, 2018, the IRS approved GiveMN's status change from a supporting organization to an independent 501(c)(3).

NOTE 3 LIQUIDITY AND AVAILABILITY

As part of their liquidity plan, GiveMN has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. GiveMN manages its cash available to meet general expenditures following three guiding principles:

- Operating with a prudent range of financial soundness and stability,
- Maintaining adequate liquid assets to fund near-term operating needs, and
- Maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged

GIVEMN
NOTES TO FINANCIAL STATEMENTS
EIGHTEEN MONTHS ENDED JUNE 30, 2019 AND
TWELEVE MONTHS ENDED DECEMBER 31, 2017

NOTE 3 LIQUIDITY AND AVAILABILITY (CONTINUED)

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following as of June 30, 2019 and December 31, 2017:

	June 30, 2019	December 31, 2017
Cash	\$ 597,939	\$ 606,039
Contributions Receivable	17,500	223,951
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 615,439</u>	<u>\$ 829,990</u>

NOTE 4 PROPERTY AND EQUIPMENT, NET

Property and equipment as of June 30, 2019 consists of the following:

Furniture and Equipment	\$ 61,992
Leasehold Improvements	34,395
	<u>96,387</u>
Less: Accumulated Depreciation Property and Equipment, Net	<u>(9,878)</u>
	<u>\$ 86,509</u>

NOTE 5 LEASES

GiveMN is obligated under one operating lease for its office space, which expires May 1, 2023. Total rent expense for the eighteen months ended June 30, 2019 and the twelve months ended December 31, 2017, were \$37,156 and \$-0-, respectively.

Future minimum lease payments under the operating lease are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2020	\$ 24,984
2021	25,786
2022	26,589
2023	25,070
Total Minimum Lease Payments	<u>\$ 102,429</u>