

GIVEMN

FINANCIAL STATEMENTS

**TWELVE MONTHS ENDED JUNE 30, 2020 AND
EIGHTEEN MONTHS ENDED JUNE 30, 2019**

**GIVEMN
TABLE OF CONTENTS
TWELVE MONTHS ENDED JUNE 30, 2020 AND
EIGHTEEN MONTHS ENDED JUNE 30, 2019**

INDEPENDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4
STATEMENT OF FUNCTIONAL EXPENSES	5
STATEMENTS OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8



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, 2020 and 2019, and the related statements of activities, statement of functional expenses, and statements of cash flows for the twelve months ended June 30, 2020 and the eighteen months ended June 30, 2019, 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, 2020 and 2019, and the changes in its net assets and its cash flows for the twelve months ended June 30, 2020 and eighteen months ended June 30, 2019 in accordance with accounting principles generally accepted in the United States of America.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Minneapolis, Minnesota
November 6, 2020

GIVEMN
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Cash	\$ 1,058,057	\$ 597,939
Contributions Receivable	145,694	17,500
Donation Processing Fee Receivable	102,438	-
Prepaid Expenses and Other Assets	6,473	9,889
Property and Equipment, Net	79,283	86,509
Total Assets	\$ 1,391,945	\$ 711,837
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts Payable	\$ 20,691	\$ 10,903
Accrued Salaries and Benefits	97,771	41,746
Grants Payable	10,000	10,000
Notes Payable	103,400	-
Deferred Rent	28,383	36,836
Total Liabilities	260,245	99,485
NET ASSETS		
Without Donor Restrictions	519,455	597,352
With Donor Restrictions	612,245	15,000
Total Net Assets	1,131,700	612,352
Total Liabilities and Net Assets	\$ 1,391,945	\$ 711,837

See accompanying Notes to Financial Statements.

GIVEMN
STATEMENTS OF ACTIVITIES
TWELVE MONTHS ENDED JUNE 30, 2020 AND
EIGHTEEN MONTHS ENDED JUNE 30, 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
REVENUE AND OTHER SUPPORT						
Contributions	\$ 826,056	\$ 612,245	\$ 1,438,301	\$ 1,106,447	\$ 15,000	\$ 1,121,447
Donation Processing Fees	655,705	-	655,705	296,513	-	296,513
Contracting Services	49,924	-	49,924	17,854	-	17,854
Loss on Disposal of Asset	-	-	-	(16,800)	-	(16,800)
Other Income	375	-	375	446	-	446
Released from Restrictions	15,000	(15,000)	-	20,000	(20,000)	-
Total Revenue and Other Support	<u>1,547,060</u>	<u>597,245</u>	<u>2,144,305</u>	<u>1,424,460</u>	<u>(5,000)</u>	<u>1,419,460</u>
EXPENSE						
Program Services Expense	1,312,378	-	1,312,378	1,238,776	-	1,238,776
Supporting Services Expense:						
Management and General	218,982	-	218,982	190,089	-	190,089
Fundraising	<u>93,597</u>	<u>-</u>	<u>93,597</u>	<u>32,562</u>	<u>-</u>	<u>32,562</u>
Total Supporting Services Expenses	<u>312,579</u>	<u>-</u>	<u>312,579</u>	<u>222,651</u>	<u>-</u>	<u>222,651</u>
Total Expense	<u>1,624,957</u>	<u>-</u>	<u>1,624,957</u>	<u>1,461,427</u>	<u>-</u>	<u>1,461,427</u>
CHANGE IN NET ASSETS	(77,897)	597,245	519,348	(36,967)	(5,000)	(41,967)
Net Assets - Beginning 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>
NET ASSETS - END OF YEAR	<u><u>\$ 519,455</u></u>	<u><u>\$ 612,245</u></u>	<u><u>\$ 1,131,700</u></u>	<u><u>\$ 597,352</u></u>	<u><u>\$ 15,000</u></u>	<u><u>\$ 612,352</u></u>

See accompanying Notes to Financial Statements.

GIVEMN
STATEMENT OF FUNCTIONAL EXPENSES
TWELVE MONTHS ENDED JUNE 30, 2020

	June 30, 2020				Total
	Program Services	Management and General	Fundraising	Total Supporting Services	
Salaries	\$ 482,264	\$ 125,460	\$ 65,257	\$ 190,717	\$ 672,981
Payroll Taxes	36,554	6,496	4,865	11,361	47,915
Employee Benefits	68,928	15,542	9,730	25,272	94,200
Total Personnel Costs	<u>587,746</u>	<u>147,498</u>	<u>79,852</u>	<u>227,350</u>	<u>815,096</u>
Professional Fees	22,462	45,315	-	45,315	67,777
Supplies	13,472	3,364	1,821	5,185	18,657
Occupancy	32,141	8,026	4,345	12,371	44,512
Utilities	11,144	2,783	1,506	4,289	15,433
Advertising and Promotion	72,962	-	-	-	72,962
Repairs and Maintenance	-	-	-	-	-
Meetings and Events	22,074	5,512	2,984	8,496	30,570
Grants and Prizes	527,522	-	-	-	527,522
Information Technology	-	-	-	-	-
Other Expense	-	777	-	777	777
Insurance	5,726	1,430	774	2,204	7,930
Depreciation	17,129	4,277	2,315	6,592	23,721
Total Expenses	<u>\$ 1,312,378</u>	<u>\$ 218,982</u>	<u>\$ 93,597</u>	<u>\$ 312,579</u>	<u>\$ 1,624,957</u>

See accompanying Notes to Financial Statements.

GIVEMN
STATEMENT OF FUNCTIONAL EXPENSES
EIGHTEEN MONTHS ENDED JUNE 30, 2019

	June 30, 2019				Total
	Program Services	Management and General	Fundraising	Total Supporting Services	
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>
Professional Fees	57,801	111,631	4,000	115,631	173,432
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
Advertising and Promotion	68,889	-	-	-	68,889
Repairs and Maintenance	5,579	501	188	689	6,268
Meetings and Events	33,750	3,034	1,138	4,172	37,922
Grants and Prizes	263,857	-	-	-	263,857
Information Technology	914	-	-	-	914
Other Expense	-	2,296	-	2,296	2,296
Insurance	9,962	895	336	1,231	11,193
Depreciation	15,018	1,350	506	1,856	16,874
Total Expenses	<u>\$ 1,238,776</u>	<u>\$ 190,089</u>	<u>\$ 32,562</u>	<u>\$ 222,651</u>	<u>\$ 1,461,427</u>

See accompanying Notes to Financial Statements.

GIVEMN
STATEMENTS OF CASH FLOWS
TWELVE MONTHS ENDED JUNE 30, 2020 AND
EIGHTEEN MONTHS ENDED JUNE 30, 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 519,348	\$ (41,967)
Adjustments to Reconcile Change in Net Assets to Net Cash		
Provided by Operating Activities:		
Depreciation	23,721	16,874
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	(128,194)	206,451
Donation Processing Fee Receivable	(102,438)	-
Prepaid Expenses and Other Assets	3,416	(9,702)
Accounts Payable	9,788	(3,267)
Accrued Salaries and Benefits	56,025	(143,738)
Grants Payable	-	10,000
Deferred Rent	(8,453)	36,836
Net Cash Provided by Operating Activities	<u>373,213</u>	<u>53,892</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchases of Property and Equipment	<u>(16,495)</u>	<u>(61,992)</u>
Net Cash Used by Investing Activities	<u>(16,495)</u>	<u>(61,992)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from issuance of Notes Payable	<u>103,400</u>	<u>-</u>
Net Cash Provided by Financing Activities	<u>103,400</u>	<u>-</u>
NET INCREASE (DECREASE) IN CASH	460,118	(8,100)
Cash - Beginning of Year	<u>597,939</u>	<u>606,039</u>
CASH - END OF YEAR	<u>\$ 1,058,057</u>	<u>\$ 597,939</u>
SUPPLEMENTAL DISCLOSURES OF NONCASH ACTIVITIES		
Leasehold Improvements Acquired Through Tenant Allowance	<u>\$ -</u>	<u>\$ 34,395</u>

See accompanying Notes to Financial Statements.

GIVEMN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization

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 together provide online giving and donor engagement tools to Minnesota organizations, allowing these organizations to connect with new and existing donors through safe and secure donation and disbursement processes.

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 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.

During the COVID-19 pandemic, responding to the expressed needs of Minnesota's nonprofit community, GiveMN leveraged its capacity-building, giving event, and engagement platform initiatives to provide limited no-cost fundraising coaching to organizations, host the #GiveAtHomeMN statewide giving day, and return several months of processing fee proceeds to Minnesota organizations.

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 Internal Revenue Service 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:

GIVEMN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Asset Classifications (Continued)

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

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, 2020 and 2019.

Cash

GiveMN maintains a cash account with a local bank. At times, the total cash on deposit exceeds the federally insured limit.

Contributions and Contributions Receivable

Contributions and unconditional promises to give are recognized as revenue in the period when the donor makes a promise to give to GiveMN that is, in substance, unconditional. All contributions are available for use without donor restrictions 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. At June 30, 2020, GiveMN had received conditional promises to give in the amount of \$235,000. 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, 2020 and 2019. All contributions receivable are expected to be collected within the next fiscal year.

For the twelve months ended June 30, 2020 and the eighteen months ended June 30, 2019, approximately 83% of GiveMN's contribution revenue was from four and three donors, respectively.

For the twelve months ended June 30, 2020 and the eighteen months ended June 30, 2019, one contributor made up approximately 96% and 86%, respectively, of the contributions receivable balance.

GIVEMN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Donation Processing Fees and Donation Processing Fees Receivable

Donation processing fees are recognized in accordance with the underlying contracts and agreements. Revenue is earned based on donations facilitated by GiveMN. Revenue is recognized when the donations were received that generate the donation processing fee and are recognized over a period of time. An allowance for uncollectible donation processing fee receivables is provided based upon management's judgment including such factors as prior collection history. Management determined that all donation processing fee receivables are fully collectible; therefore, no allowance for uncollectible accounts is considered necessary at June 30, 2020 and 2019.

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 seven 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 Payable

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. Grants payable as of June 30, 2020 and 2019 are expected to be paid within one year.

Deferred Rent

GiveMN accounts for rent expense evenly over the term of the lease using the straight-line method. Unamortized deferred rent was \$28,383 and \$36,836 at June 30, 2020 and 2019, respectively.

Contracting Services

Contracting services revenue consists of revenue generated from providing professional consultation and group learning to help nonprofits grow their fundraising strategy and infrastructure. Contracting services revenue is recognized over a period of time as the services have been performed.

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.

GIVEMN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. Expenses that are directly allocated are grants and prizes and advertising and promotion expenses.

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

GiveMN has adopted Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflect the consideration to which an entity expects to be entitled in exchange for those goods or services. The adoption of this standard had an impact of approximately \$5,600 and was adopted using a retrospective approach.

GiveMN adopted Accounting Standards (ASU) 2018-08, *Accounting Guidance for Contributions Received and Made*. The standard was implemented related to contributions received during the year. The accounting change has not been retrospectively applied to prior periods presented but applied prospectively. The implementation of this standard had no impact on the change in net assets as previously reported.

Reclassifications

Certain reclassifications have been made to the prior year financial statements to conform to the current year presentation. The reclassifications had no effect on the change in net assets or total net assets as previously reported.

**GIVEMN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Risks and Uncertainties

The Coronavirus Disease 2019 (COVID-19) has recently affected global markets, supply chains, employees of companies, and our communities. As a result, COVID-19 may impact various parts of GiveMN's 2021 operations and financial results including contributions, donation processing fees, contracting services and various expenses, etc. Management believes that GiveMN is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated.

Subsequent Events

In preparing these financial statements, GiveMN has evaluated events and transactions for potential recognition or disclosure through November 6, 2020, the date the financial statements were available to be issued.

NOTE 2 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

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:

	2020	2019
Cash	\$ 1,058,057	\$ 597,939
Contributions Receivable	145,694	17,500
Donation Processing Fee Receivable	102,438	-
Less: Contractual or Donor-Imposed Restrictions Making Financial Assets Unavailable for General Expenditure	(612,245)	(15,000)
Financial Assets Available to Meet Cash Needs for General Expenditures Within One Year	<u>\$ 693,944</u>	<u>\$ 600,439</u>

GIVEMN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 3 PROPERTY AND EQUIPMENT, NET

A summary of property and equipment is as follows as of June 30:

	2020	2019
Furniture and Equipment	\$ 78,487	\$ 61,992
Leasehold Improvements	34,395	34,395
Total	112,882	96,387
Less: Accumulated Depreciation	(33,599)	(9,878)
Property and Equipment, Net	\$ 79,283	\$ 86,509

NOTE 4 NOTES PAYABLE

On April 29, 2020, GiveMN received a loan in the amount of \$103,400 to fund payroll, rent, utilities, and interest on mortgages and existing debt through the Paycheck Protection Program (the “PPP Loan”). The original loan agreement was written prior to the PPP Flexibility Act of 2020 (June 5) and was due over twenty-four months deferred for six months. Subsequent to this, the law changed the loan deferral terms retroactively. The PPP Flexibility Act and subsequent regulations supersede the loan agreement. The PPP Loan bears interest at a fixed rate of 1.0% per annum, with the first six months of interest deferred, has a term of two years, and is unsecured and guaranteed by the U.S. Small Business Administration. Payment of principal and interest is deferred until the date on which the amount of forgiveness is remitted to the lender or, if GiveMN fails to apply for forgiveness within 10 months after the covered period, then payment of principal and interest shall begin on that date. These amounts may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the program. To the extent that all or part of the PPP Loan is not forgiven, GiveMN will be required to pay interest on the PPP Loan at a rate of 1.0% per annum, and commencing in November 2020 principal and interest payments will be required through the maturity date of April 29, 2022.

NOTE 5 NET ASSETS WITH DONOR RESTRICTIONS

At June 30, 2020 and 2019, net assets with donor restrictions consisted of the following:

	2020	2019
Subject to the Passage of Time:	\$ 150,000	\$ 15,000
Subject to Expenditure for Specified Purpose:		
Give to the Max Day grants	50,000	-
RaiseMN Coaching	412,245	-
Total	\$ 612,245	\$ 15,000

GIVEMN
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2020 AND 2019

NOTE 6 LEASES

GiveMN is obligated under one operating lease for its office space, which expires May 1, 2023. Total rent expense for the twelve months ended June 30, 2020 and eighteen months ended June 30, 2019, were \$44,512 and \$37,156, respectively.

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

<u>Year Ending June 30,</u>	<u>Amount</u>
2021	\$ 25,786
2022	26,589
2023	<u>25,070</u>
Total Minimum Lease Payments	<u><u>\$ 77,445</u></u>