

GiveMN

Financial Statements Together with Independent Auditors' Report

June 30, 2021

GIVEMN

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INDEPENDENT AUDITORS' REPORT

Board of Directors
GiveMN
Minneapolis, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of GiveMN (a nonprofit organization), which comprise the statement of financial position as of June 30, 2021, and the related statements of activities, functional expenses and cash flows for the year 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of 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 auditor's 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.

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, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Prior Period Financial Statements

The financial statements of GiveMN as of June 30, 2020 were audited by other auditors whose report dated November 6, 2020 expressed an unmodified opinion of those statements.

Olsen Thielen & Co., Ltd

Eden Prairie, Minnesota
November 11, 2021

GIVEMN

STATEMENT OF FINANCIAL POSITION JUNE 30, 2021 AND 2020

	<u>2021</u>	<u>2020</u>
ASSETS		
CURRENT ASSETS:		
Cash	\$ 1,225,597	\$ 1,058,057
Contributions Receivable	107,444	145,694
Donation Processing Fee Receivable	76,914	102,438
Prepaid Expenses and Other Assets	11,586	6,473
Total Current Assets	<u>1,421,541</u>	<u>1,312,662</u>
PROPERTY AND EQUIPMENT:		
Leasehold Improvements	34,395	34,395
Furniture and Equipment	78,487	78,487
Less Accumulated Depreciation	<u>(59,172)</u>	<u>(33,599)</u>
Net Property and Equipment	<u>53,710</u>	<u>79,283</u>
TOTAL ASSETS	<u>\$ 1,475,251</u>	<u>\$ 1,391,945</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	\$ 15,939	\$ 20,691
Payroll Liabilities	96,244	97,771
Grants Payable	-	10,000
Notes Payable	-	103,400
Deferred Rent	20,595	28,383
Total Current Liabilities	<u>132,778</u>	<u>260,245</u>
NET ASSETS:		
Without Donor Restrictions	633,547	519,455
With Donor Restrictions	708,926	612,245
Total Net Assets	<u>1,342,473</u>	<u>1,131,700</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 1,475,251</u>	<u>\$ 1,391,945</u>

The accompanying notes are an integral part of the financial statements

GIVEMN

STATEMENT OF ACTIVITIES YEARS ENDED JUNE 30, 2021 AND 2020

	2021			2020		
	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total	Net Assets Without Donor Restriction	Net Assets With Donor Restriction	Total
REVENUES AND SUPPORT:						
Contributions and Grants	\$ 96,224	\$ 753,175	\$ 849,399	\$ 838,587	\$ 612,245	\$ 1,450,832
Donation Processing Fees	617,714	-	617,714	655,705	-	655,705
Contracting Services	55,652	170,250	225,902	37,393	-	37,393
Other Income	290	-	290	375	-	375
Net Assets Released from Restrictions	826,744	(826,744)	-	15,000	(15,000)	-
Total Support and Revenue	<u>1,596,624</u>	<u>96,681</u>	<u>1,693,305</u>	<u>1,547,060</u>	<u>597,245</u>	<u>2,144,305</u>
EXPENSES:						
Program Services	1,242,247	-	1,242,247	1,312,378	-	1,312,378
General and Administrative	196,500	-	196,500	218,982	-	218,982
Fundraising	147,185	-	147,185	93,597	-	93,597
Total Expenses	<u>1,585,932</u>	<u>-</u>	<u>1,585,932</u>	<u>1,624,957</u>	<u>-</u>	<u>1,624,957</u>
OTHER INCOME:						
Forgiveness of Notes Payable	103,400	-	103,400	-	-	-
Total Other Income	<u>103,400</u>	<u>-</u>	<u>103,400</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET ASSETS	114,092	96,681	210,773	(77,897)	597,245	519,348
NET ASSETS at Beginning of Year	<u>519,455</u>	<u>612,245</u>	<u>1,131,700</u>	<u>597,352</u>	<u>15,000</u>	<u>612,352</u>
NET ASSETS at End of Year	<u>\$ 633,547</u>	<u>\$ 708,926</u>	<u>\$ 1,342,473</u>	<u>\$ 519,455</u>	<u>\$ 612,245</u>	<u>\$ 1,131,700</u>

The accompanying notes are an integral part of the financial statements

GIVEMN

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2021

	2021			
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expense</u>
Salaries, Taxes and Benefits	\$ 719,670	\$ 158,924	\$ 128,499	\$ 1,007,093
Grants and Prizes	269,518	–	–	269,518
Advertising and Promotion	85,623	127	–	85,750
Professional Services	62,257	15,709	4,131	82,097
Occupancy	36,939	7,787	6,642	51,368
Depreciation	17,923	4,427	3,223	25,573
Supplies and Software	17,854	997	1,023	19,874
Utilities and Telephone	12,702	2,702	1,490	16,894
Meetings and Events	8,323	4,535	885	13,743
Insurance	7,540	1,075	916	9,531
Equipment Rental	3,726	–	–	3,726
Miscellaneous	172	217	376	765
Total Functional Expense	<u>\$ 1,242,247</u>	<u>\$ 196,500</u>	<u>\$ 147,185</u>	<u>\$ 1,585,932</u>

The accompanying notes are an integral part of the financial statements

GIVEMN

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2020

	2020			
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expense</u>
Salaries, Taxes and Benefits	\$ 587,746	\$ 147,498	\$ 79,852	\$ 815,096
Grants and Prizes	527,522	–	–	527,522
Advertising and Promotion	73,142	–	–	73,142
Professional Services	22,462	45,315	–	67,777
Occupancy	32,141	8,026	4,345	44,512
Depreciation	17,129	4,277	2,315	23,721
Supplies and Software	9,088	3,364	1,821	14,273
Utilities and Telephone	11,144	2,783	1,506	15,433
Meetings and Events	22,074	5,512	2,984	30,570
Insurance	5,726	1,430	774	7,930
Equipment Rental	4,204	–	–	4,204
Miscellaneous	–	777	–	777
Total Functional Expense	<u>\$ 1,312,378</u>	<u>\$ 218,982</u>	<u>\$ 93,597</u>	<u>\$ 1,624,957</u>

The accompanying notes are an integral part of the financial statements

GIVEMN

STATEMENT OF CASH FLOWS YEARS ENDED JUNE 30, 2021 AND 2020

	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change In Net Assets	\$ 210,773	\$ 519,348
Adjustments To Reconcile Change In Net Assets To Net Cash		
Flows From Operating Activities:		
Depreciation	25,573	23,721
PPP Loan Forgiveness	(103,400)	-
Changes in Assets and Liabilities:		
Contributions Receivable	38,250	(128,194)
Donation Processing Fee Receivable	25,524	(102,438)
Prepaid Expenses and Other Assets	(5,113)	3,416
Accounts Payable	(4,752)	9,788
Grants Payable	(10,000)	-
Payroll Liabilities	(1,527)	56,025
Deferred Rent	(7,788)	(8,453)
Net Cash Flows From Operating Activities	167,540	373,213
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Property and Equipment	-	(16,495)
Net Cash Flows From Investing Activities	-	(16,495)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from Issuance of PPP Loan	-	103,400
Net Cash Flows From Financing Activities	-	103,400
NET CHANGE IN CASH	167,540	460,118
CASH at Beginning of Period	1,058,057	597,939
CASH at End of Period	\$ 1,225,597	\$ 1,058,057

The accompanying notes are an integral part of the financial statements

GIVEMN

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

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.

In 2017, GiveMN's and Minnesota Community Foundation's respective board 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).

Basis of Presentation

The accompanying financial statements have been prepared using the accrual basis of accounting in accordance with generally accepted accounting principles. Revenue, expenses, gains and losses, and net assets are classified based on the existence or absence of donor imposed restrictions. Accordingly, net assets of the Organization and related changes are classified and reported as follows:

Net Assets without Donor Restrictions - Net assets without donor restrictions are resources available to support operations over which the Board of Directors has discretionary control.

Net Assets with Donor Restrictions - Net assets with donor restrictions are resources that are restricted by a donor for use for a particular purpose or in a particular future period. Some donor-imposed restrictions are temporary in nature, and the restriction will expire when the resources are used in accordance with the donor's instructions or when the stipulated time has passed. Other donor-imposed restrictions are perpetual in nature; the Organization must continue to use the resources in accordance with the donor's instructions.

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NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Accounting Estimates

The presentation 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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Subsequent Events

In preparing these financial statements, the Organization has evaluated for recognition or disclosure the events or transactions that occurred through November 11, 2021, the date the financial statements were available to be issued.

Receivables

Donation Processing Fee receivables are stated at net realizable value. An allowance for uncollectible donation processing fees 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 receivables was recorded at June 30, 2021 and 2020.

Contributions receivable consists of unconditional promises to give and are recognized as revenue in the period made. Conditional promises to give are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Contributions to be received after one year are discounted using present value of future cash flows. Amortization of discounts is recorded as additional contribution revenue. An allowance for uncollectible contributions receivable is provided based upon management's judgment including such factors as prior collection history.

Property Equipment and Depreciation

Property and equipment are carried at cost or, if donated, at the approximated fair value at the date of donation. Additions, improvements or major renewals exceeding \$1,000 are capitalized. If items of property are sold, retired or otherwise disposed of, they are removed from the asset and accumulated depreciation accounts and any gain or loss thereon is reflected in the statement of activities.

Depreciation is computed using the straight-line method over the estimated useful lives of the assets, ranging from three to seven years.

Grant Payable

Unconditional grants are recorded as expense when approved by the Board of Directors. Grants that are subject to conditions are recorded when the conditions have been substantially met. Grants payable are stated at fair value by discounting payments due in more than one year. Grants payable cancelled in a subsequent year are recorded in the year of cancellation.

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NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Rent

GiveMN accounts for rent expense evenly over the term of the lease using the straight-line method. Unamortized deferred rent was \$20,595 and \$28,383 at June 30, 2021 and 2020, respectively.

Revenue Recognition

Contribution and Grant Revenue

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Organization reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the assets, or if they are designated as support for future periods. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions is reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed contributions whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

Donation Processing Fees Revenue

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 over a period of time.

Contracting Service Revenue

Contracting service revenue consists of revenue generated from providing professional consultation and group learning to help nonprofits grow their fundraising strategy and infrastructure. Contracting service revenue is recognized over a period of time as the service have been performed. In addition, the Organization enters into contracts with third parties to provide coaching, consultation and group learning services to other third-parties. The contracts are measured based on the terms of the agreements and are reported as an increase in net assets with donor restrictions. When a contract restriction expires, that is, when the purpose restriction is accomplished, net assets with donor restrictions is reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions. Contracts whose restrictions are met in the same reporting period are reported as net assets without donor restrictions.

As a practical expedient, the Organization groups similar contracts or similar performance obligations together into portfolios of contracts if doing so does not result in a significant difference from applying the accounting standard to the individual contracts.

There are no significant contract assets or liabilities recognized on the financial statements under the standard.

Functional Allocation of Expense

The costs of providing various programs and services are summarized on a functional basis on the statement of activities. Accordingly, certain costs were allocated among the programs or services benefited based on best estimates by management.

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NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax

The Organization is exempt from Federal and State income taxes under Section 501(c)(3) of the Internal Revenue Code therefore, the statements do not include a provision for income taxes. The Organization has no unrelated business income tax in 2021 and 2020.

The Organization reviews income tax positions taken or expected to be taken in income tax returns to determine if there are any income tax uncertainties. This includes positions that the entity is exempt from income taxes or not subject to income taxes on unrelated business income. The Organization recognizes tax benefits from uncertain tax positions only if it is more likely than not that the tax positions will be sustained on examination by taxing authorities, based on the technical merits of the positions. The Organization has identified no significant income tax uncertainties. The Organization files information returns as a tax-exempt organization. Should that status be challenged in the future, all years since inception could be subject to review by the IRS.

Credit Risk

Financial instruments which potentially subject the Organization to concentrations of credit risk consist principally of cash. The Organization places its cash investments with high credit quality financial institutions. As of June 30, 2021, the Organization had a credit risk concentration of depositing \$837,880 of funds in excess of insurance limits in a single bank.

Advertising

Advertising costs are expensed as incurred. Total advertising expenses were \$6,334 and \$8,399 for 2021 and 2020.

Recently Issued Accounting Pronouncements

In February 2016, FASB issued ASU 2016-02, *Leases (Topic 842)*, which provides guidance for accounting for leases. The new guidance requires companies to recognize the assets and liabilities for the rights and obligations created by leased assets, initially measured at the present value of the lease payments. The accounting guidance for lessors is largely unchanged. This ASU is effective annual periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022, with early adoption permitted. It is to be adopted using the modified retrospective approach. The Organization is currently evaluating this guidance to determine the impact it may have on its financial statements.

Risks and Uncertainties

In March 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The Organization cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption from this pandemic may impact the Organization's operations and financial statements.

Reclassifications

Certain amounts in the 2020 financial statements and notes have been reclassified to conform with the 2021 presentation. These reclassifications had no effect on net assets for either period.

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NOTES TO FINANCIAL STATEMENTS

NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Organization receives significant revenues from processing fees, contributions and contracting services. Available cash and increase in net assets is generally adequate to meet all current obligations of the Organization.

The following table reflects the Organization's financial assets as of June 30, 2021 and 2020 that are available to meet general expenditures within the next year.

	<u>2021</u>	<u>2020</u>
Available for General Expenditures:		
Cash	\$ 1,225,597	\$ 1,058,057
Contributions Receivable	107,444	145,694
Donation Processing Fee Receivable	76,914	102,438
Total	<u>1,409,955</u>	<u>1,306,189</u>
Less Financial Assets Held to Meet Donor Restrictions:		
Purpose Restricted-Net Assets	<u>573,926</u>	<u>462,245</u>
Total Financial Assets Available for General Expenditure within One Year	<u>\$ 836,029</u>	<u>\$ 843,944</u>

The above table reflects donor-restricted funds as unavailable because it is the Organization's intention to invest those resources for the long-term support of the Organization.

NOTE 3 - PPP LOAN AND FORGIVENESS

In March 2020, the Coronavirus Aid, Relief and Economic Security (CARES) Act was signed into law. Part of CARES was the Paycheck Protection Program (PPP) which allowed for organizations to apply for a potentially forgivable loan if the proceeds were used for the specified purposes. In April 2020, the Organization received a \$103,400 loan from the PPP program which was recorded as a liability on their statement of financial position as of June 30, 2020. In April 2021, the Organization received a forgiveness letter from the SBA for the full amount. This is recorded as Other Income on the Statement of activities as of June 30, 2021.

NOTE 4 - LEASES

The Organization leases office space from a third-party through May 1, 2023. The lease provides for annual increasing base rents and monthly payments for operating costs. Total rent expense was \$51,368 and \$44,512 at June 30, 2021 and 2020, respectively.

Future minimum lease commitments as of June 30, 2021 are as follows:

Years Ended June 30:		
2022		\$ 26,589
2023		<u>25,070</u>
Total		<u>\$ 51,659</u>

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NOTES TO FINANCIAL STATEMENTS

NOTE 5 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following:

	<u>2021</u>	<u>2020</u>
Purpose Restrictions:		
RaiseMN Coaching Grants	\$ 419,381	\$ 412,245
SpringForwardMN Grant	100,000	-
Program Development Grant	54,545	-
Give to the Max Day Grant	-	50,000
Time Restrictions:		
General Operating Support	135,000	150,000
Total	<u>\$ 708,926</u>	<u>\$ 612,245</u>

Net assets released from restriction were \$826,744 and \$15,000 in 2021 and 2020. Net assets with donor restriction were released from restriction due to satisfaction of program and time restrictions.

NOTE 6 - MAJOR CUSTOMER

The Organization derived approximately 74% and 83% of its revenues from three donors for the years ended June 30, 2021 and 2020, respectively.

NOTE 7 - RETIREMENT PLAN

The Organization has a 401(k) plan in effect for its employees. The Organization contributions to the plan based on the safe harbor matching 100% of deferrals up to 4% and an annual discretionary profit sharing contribution determined by the board. Plan expense was \$82,802 for 2021 and \$58,053 for 2020.