

GiveMN

Financial Statements Together with Independent Auditors' Report

June 30, 2023

GIVEMN

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INDEPENDENT AUDITORS' REPORT

Board of Directors
GiveMN
Minneapolis, Minnesota

Opinion

We have audited the accompanying financial statements of GiveMN (a nonprofit organization), which comprise the statement of financial position as of June 30, 2023 and 2022, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of GiveMN as of June 30, 2023 and 2022, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of GiveMN and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statement

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, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about GiveMN's ability to continue as a going concern with one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 GiveMN's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about GiveMN's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Eden Prairie, Minnesota
December 8, 2023

Olsen Thielen & Co., Ltd

GIVEMN

STATEMENT OF FINANCIAL POSITION JUNE 30, 2023 AND 2022

ASSETS		
	2023	2022
CURRENT ASSETS:		
Cash	\$ 423,852	\$ 1,094,056
Contributions Receivable	178,712	20,605
Donation Processing Fee Receivable	16,398	44,379
Other Receivables	1,901	-
Prepaid Expenses and Other Assets	8,291	6,192
Total Current Assets	629,154	1,165,232
PROPERTY AND EQUIPMENT:		
Leasehold Improvements	34,395	34,395
Furniture and Equipment	85,735	78,487
Less Accumulated Depreciation	(103,190)	(82,668)
Net Property and Equipment	16,940	30,214
Total Assets	\$ 646,094	\$ 1,195,446
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES:		
Accounts Payable	\$ 31,366	\$ 30,951
Payroll Liabilities	75,868	130,386
Deferred Rent	-	12,808
Total Current Liabilities	107,234	174,145
NET ASSETS:		
Without Donor Restrictions	158,860	703,627
With Donor Restrictions	380,000	317,674
Total Net Assets	538,860	1,021,301
Total Liabilities and Net Assets	\$ 646,094	\$ 1,195,446

The accompanying notes are an integral part of the financial statements

GIVEMN

STATEMENT OF ACTIVITIES YEARS ENDED JUNE 30, 2023 AND 2022

	2023			2022		
	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	\$ 46,639	\$ 533,352	\$ 579,991	\$ 38,972	\$ 523,654	\$ 562,626
Donation Processing Fees	515,159	-	515,159	563,431	-	563,431
Contracting Services	52,247	300,000	352,247	15,116	49,035	64,151
Other Income	37	-	37	116	-	116
Net Assets Released from Restrictions	771,026	(771,026)	-	963,941	(963,941)	-
Total Support and Revenue	<u>1,385,108</u>	<u>62,326</u>	<u>1,447,434</u>	<u>1,581,576</u>	<u>(391,252)</u>	<u>1,190,324</u>
EXPENSES:						
Program Services	1,444,997	-	1,444,997	1,084,297	-	1,084,297
General and Administrative	325,223	-	325,223	264,006	-	264,006
Fundraising	159,655	-	159,655	163,193	-	163,193
Total Expenses	<u>1,929,875</u>	<u>-</u>	<u>1,929,875</u>	<u>1,511,496</u>	<u>-</u>	<u>1,511,496</u>
CHANGE IN NET ASSETS	(544,767)	62,326	(482,441)	70,080	(391,252)	(321,172)
NET ASSETS at Beginning of Year	<u>703,627</u>	<u>317,674</u>	<u>1,021,301</u>	<u>633,547</u>	<u>708,926</u>	<u>1,342,473</u>
NET ASSETS at End of Year	<u>\$ 158,860</u>	<u>\$ 380,000</u>	<u>\$ 538,860</u>	<u>\$ 703,627</u>	<u>\$ 317,674</u>	<u>\$ 1,021,301</u>

The accompanying notes are an integral part of the financial statements

GIVEMN

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2023

	2023			Total Expense
	Program Services	General and Administrative	Fundraising	
Salaries, Taxes and Benefits	\$ 871,038	\$ 245,353	\$ 136,820	\$ 1,253,211
Grants and Prizes	200,988	–	1,545	202,533
Supplies and Software	111,904	92	423	112,419
Professional Services	53,088	46,792	7,473	107,353
Advertising and Promotion	95,714	474	42	96,230
Occupancy	34,304	11,509	5,187	51,000
Meetings, Events and Travel	39,028	2,979	3,531	45,538
Utilities and Telephone	18,186	4,786	1,944	24,916
Depreciation	14,311	4,281	1,930	20,522
Insurance	5,155	1,649	743	7,547
Equipment Rental	–	4,364	–	4,364
Miscellaneous	1,281	2,944	17	4,242
	\$ 1,444,997	\$ 325,223	\$ 159,655	\$ 1,929,875
Total Functional Expense	\$ 1,444,997	\$ 325,223	\$ 159,655	\$ 1,929,875

The accompanying notes are an integral part of the financial statements

GIVEMN

STATEMENT OF FUNCTIONAL EXPENSES YEAR ENDED JUNE 30, 2022

	2022			
	<u>Program Services</u>	<u>General and Administrative</u>	<u>Fundraising</u>	<u>Total Expense</u>
Salaries, Taxes and Benefits	\$ 632,872	\$ 208,407	\$ 143,755	\$ 985,034
Grants and Prizes	188,313	–	–	188,313
Professional Services	82,253	36,023	4,889	123,165
Advertising and Promotion	75,875	–	240	76,115
Occupancy	29,585	7,183	6,765	43,533
Supplies and Software	27,245	487	1,339	29,071
Depreciation	15,430	4,538	3,528	23,496
Meetings, Events and Travel	12,577	2,339	973	15,889
Utilities and Telephone	9,467	3,133	1,684	14,284
Insurance	7,926	–	–	7,926
Equipment Rental	2,708	1,685	–	4,393
Miscellaneous	46	211	20	277
	<u>46</u>	<u>211</u>	<u>20</u>	<u>277</u>
Total Functional Expense	<u>\$ 1,084,297</u>	<u>\$ 264,006</u>	<u>\$ 163,193</u>	<u>\$ 1,511,496</u>

The accompanying notes are an integral part of the financial statements

GIVEMN

STATEMENT OF CASH FLOWS YEARS ENDED JUNE 30, 2023 AND 2022

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change In Net Assets	\$ (482,441)	\$ (321,172)
Adjustments To Reconcile Change In Net Assets To Net Cash		
Flows From Operating Activities:		
Depreciation	20,522	23,496
Changes in Assets and Liabilities:		
Contributions Receivable	(158,107)	86,839
Donation Processing Fee Receivable	27,981	32,535
Other Receivables	(1,901)	-
Prepaid Expenses and Other Assets	(2,099)	5,394
Accounts Payable	415	15,012
Payroll Liabilities	(54,518)	34,142
Deferred Rent	(12,808)	(7,787)
Net Cash Flows From Operating Activities	<u>(662,956)</u>	<u>(131,541)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of Property and Equipment	<u>(7,248)</u>	-
Net Cash Flows From Investing Activities	<u>(7,248)</u>	-
NET CHANGE IN CASH	(670,204)	(131,541)
CASH at Beginning of Period	<u>1,094,056</u>	<u>1,225,597</u>
CASH at End of Period	<u>\$ 423,852</u>	<u>\$ 1,094,056</u>

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.

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.

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.

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NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

In preparing these financial statements, the Organization has evaluated for recognition or disclosure the events or transactions that occurred through December 8, 2023, the date the financial statements were available to be issued. Except as discussed below in Note 3, there were no subsequent events that required recognition or disclosure in the financial statements.

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, 2023 and 2022.

Contributions receivable consist 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.

Deferred Rent

GiveMN accounts for rent expense evenly over the term of the lease using the straight-line method. At June 30, 2023, deferred rent was fully amortized.

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.

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NOTES TO FINANCIAL STATEMENTS

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition (Continued)

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 services 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 this accounting standard to the individual contracts.

The Organization's revenues disaggregated by the timing of such revenue recognized during the years ended June 30, 2023 and 2022 are as follows:

	<u>2023</u>	<u>2022</u>
Point in Time	\$ 867,443	\$ 627,698
Contributions and Grant Revenue (Not Subject to ASC 606)	<u>579,991</u>	<u>562,626</u>
Ending Balance	<u>\$ 1,447,434</u>	<u>\$ 1,190,324</u>

The Organization's receivables from contracts with customers are as follows:

	<u>2023</u>	<u>2022</u>
Accounts Receivable - Beginning	\$ 44,379	\$ 76,914
Accounts Receivable - Ending	<u>16,398</u>	<u>44,379</u>

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 2023 and 2022.

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, 2023, the Organization had a credit risk concentration of depositing \$50,908 of funds in excess of insurance limits in a single bank.

Advertising

Advertising costs are expensed as incurred. Total advertising expenses were \$13,794 and \$9,919 for 2023 and 2022.

Change in Accounting Principle

Effective July 1, 2022, the Organization adopted FASB ASC 842, *Leases*. The new standard establishes a right of use (ROU) model that requires a lessee to record an ROU asset and a lease liability on the financial position for all leases with terms longer than 12 months.

The Organization elected to adopt FASB ASC 842, *Leases* using the optional transition method that allows the Organization to initially apply the new leases standard at the adoption date.

The Organization elected certain practical expedients, including the package of transition practical expedients. The Organization also made an accounting policy election to exempt short-term leases of 12 months or less from financial position recognition requirements associated with the new standard and fixed payments for short-term leases will be recognized as a straight-line expense over the lease term.

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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 an 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, 2023 and 2022 that are available to meet general expenditures within the next year.

	<u>2023</u>	<u>2022</u>
Available for General Expenditures:		
Cash	\$ 423,852	\$ 1,094,056
Contributions Receivable	178,712	20,605
Donation Processing Fee Receivable	16,398	44,379
Other Receivables	1,901	-
Total	<u>620,863</u>	<u>1,159,040</u>
Less Financial Assets Held to Meet Donor Restrictions:		
Purpose Restricted-Net Assets	<u>220,000</u>	<u>297,674</u>
Total Financial Assets Available for General Expenditure within One Year	<u>\$ 400,863</u>	<u>\$ 861,366</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 - NOTES PAYABLE

Subsequent to year end, the Organization received a loan from Community Benefit Financial Company, LLC, a wholly owned subsidiary of Otto Bremer Trust. The Organization will pay interest only for the first two years of the loan and beginning in 2026 the Organization will begin paying principal and interest. The note carries an interest rate of 4.75% and will be fully repaid in 2030.

Principal payments required during the next five years are: 2024 - \$0; 2025 - \$0; 2026 - \$75,000; 2027 - \$75,000; and 2028 - \$75,000.

NOTE 4 - LEASES

The Organization leased office space from a third-party through May 1, 2023. The lease provided for annual increasing base rents and monthly payments for operating costs. Total rent expense was \$51,000 and \$51,368 at June 30, 2023 and 2022, respectively. The lease expired as of May 1, 2023, and continued on a month-to-month basis until August 2023 when the Organization transitioned to a remote work environment.

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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>2023</u>	<u>2022</u>
Purpose Restrictions:		
RaiseMN Coaching Grants	\$ 120,000	\$ 87,674
Give to the Max Day Grant	100,000	210,000
Time Restrictions:		
General Operating Support	<u>160,000</u>	<u>20,000</u>
Total	<u>\$ 380,000</u>	<u>\$ 317,674</u>

Net assets released from restriction were \$771,026 and \$963,941 in 2023 and 2022. 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 84% of its revenues from three donors for the years ended June 30, 2023 and 2022, 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 \$73,007 for 2023 and \$64,853 for 2022.