

Charities Review Council of Minnesota, Inc.

Financial Statements Together with Independent Auditors' Report

December 31, 2018

CHARITIES REVIEW COUNCIL OF MINNESOTA, INC.

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Charities Review Council of Minnesota, Inc.
St. Paul, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of Charities Review Council of Minnesota, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018 and 2017, and the related statement of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 Charities Review Council of Minnesota, Inc. as of December 31, 2018 and 2017 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.

Roseville, Minnesota
May 30, 2019

Olsen Thielen & Co., Ltd.

CHARITIES REVIEW COUNCIL OF MINNESOTA, INC.

**STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017**

ASSETS		
	2018	2017
CURRENT ASSETS:		
Cash	\$ 259,900	\$ 183,583
Grants Receivable	109,757	34,893
Prepaid Expenses	12,310	6,236
Total Current Assets	381,967	224,712
EQUIPMENT AND SOFTWARE:		
Office Equipment	6,099	6,099
Website Software	190,905	190,905
Total Equipment and Software	197,004	197,004
Less Accumulated Depreciation	160,481	133,085
Equipment and Software, Net	36,523	63,919
TOTAL ASSETS	\$ 418,490	\$ 288,631
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts Payable	\$ 18,363	\$ 10,615
Accrued Expenses	8,978	4,969
Deferred Revenue	28,000	28,537
Total Liabilities	55,341	44,121
NET ASSETS:		
Without Donor Restrictions	241,149	244,510
With Donor Restrictions	122,000	-
Total Net Assets	363,149	244,510
TOTAL LIABILITIES AND NET ASSETS	\$ 418,490	\$ 288,631

The accompanying notes are an integral part of the financial statements.

CHARITIES REVIEW COUNCIL OF MINNESOTA, INC.

**STATEMENT OF ACTIVITIES
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	2018			2017		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUES:						
Public Support:						
United Way Donations	\$ 1,710	\$ -	\$ 1,710	\$ 1,375	\$ -	\$ 1,375
Individuals	32,216	-	32,216	34,602	-	34,602
Corporations and Foundations	209,950	250,050	460,000	215,400	2,500	217,900
In-Kind Contributions	-	-	-	11,660	-	11,660
Fee for Service	120,235	-	120,235	113,540	-	113,540
Biennial Forum Meeting	-	-	-	19,714	-	19,714
Other Revenue	1,532	-	1,532	1,254	-	1,254
Net Assets Released from Restrictions	<u>128,050</u>	<u>(128,050)</u>	<u>-</u>	<u>234,850</u>	<u>(234,850)</u>	<u>-</u>
Total Support and Revenues	<u>493,693</u>	<u>122,000</u>	<u>615,693</u>	<u>632,395</u>	<u>(232,350)</u>	<u>400,045</u>
EXPENSES:						
Program Services:	331,872	-	331,872	446,439	-	446,439
Management and General	126,385	-	126,385	95,925	-	95,925
Fundraising	38,797	-	38,797	32,876	-	32,876
Total Expenses	<u>497,054</u>	<u>-</u>	<u>497,054</u>	<u>575,240</u>	<u>-</u>	<u>575,240</u>
CHANGE IN NET ASSETS	(3,361)	122,000	118,639	57,155	(232,350)	(175,195)
NET ASSETS, Beginning of Year	<u>244,510</u>	<u>-</u>	<u>244,510</u>	<u>187,355</u>	<u>232,350</u>	<u>419,705</u>
NET ASSETS, End of Year	<u>\$ 241,149</u>	<u>\$ 122,000</u>	<u>\$ 363,149</u>	<u>\$ 244,510</u>	<u>\$ -</u>	<u>\$ 244,510</u>

The accompanying notes are an integral part of the financial statements.

CHARITIES REVIEW COUNCIL OF MINNESOTA, INC.

**STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2018**

	2018							Total All Services
	Program Services				Support Services			
	Nonprofit Services	Donor Information/ Education Services	Donor Nonprofit Relations	Total Program	Management and General	Fundraising	Total Support	
Salaries	\$ 81,210	\$ 25,192	\$ 48,680	\$ 155,082	\$ 54,245	\$ 21,035	\$ 75,280	\$ 230,362
Payroll Taxes	6,091	1,909	3,712	11,712	4,101	1,590	5,691	17,403
Retirement Plan Contribution	5,595	1,758	3,407	10,760	2,110	1,459	3,569	14,329
Employee Benefits	515	173	345	1,033	2,709	139	2,848	3,881
Total Personnel Expenses	<u>93,411</u>	<u>29,032</u>	<u>56,144</u>	<u>178,587</u>	<u>63,165</u>	<u>24,223</u>	<u>87,388</u>	<u>265,975</u>
Professional Fees	52,181	5,087	17,840	75,108	41,294	1,131	42,425	117,533
Occupancy	11,864	3,057	6,037	20,958	6,771	2,845	9,616	30,574
Printing and Publications	1,871	2,794	1,145	5,810	1,105	3,582	4,687	10,497
Postage	290	2,163	165	2,618	419	4,543	4,962	7,580
Membership Dues and Subscriptions	4,561	677	388	5,626	894	368	1,262	6,888
Conferences and Meetings	2,640	-	120	2,760	2,009	614	2,623	5,383
Equipment Lease and Maintenance	2,498	482	1,158	4,138	206	562	768	4,906
Bank Fees	-	-	-	-	4,310	15	4,325	4,325
Insurance	1,430	355	731	2,516	919	339	1,258	3,774
Telephone	1,462	319	689	2,470	794	342	1,136	3,606
Transportation	1,857	28	398	2,283	228	71	299	2,582
Staff Development	216	183	219	618	1,704	88	1,792	2,410
Supplies	226	46	111	383	1,854	54	1,908	2,291
Public Awareness	398	148	55	601	713	20	733	1,334
Total Expenses Before Depreciation	<u>174,905</u>	<u>44,371</u>	<u>85,200</u>	<u>304,476</u>	<u>126,385</u>	<u>38,797</u>	<u>165,182</u>	<u>469,658</u>
Depreciation	<u>27,396</u>	<u>-</u>	<u>-</u>	<u>27,396</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>27,396</u>
Total Expenses	<u>\$ 202,301</u>	<u>\$ 44,371</u>	<u>\$ 85,200</u>	<u>\$ 331,872</u>	<u>\$ 126,385</u>	<u>\$ 38,797</u>	<u>\$ 165,182</u>	<u>\$ 497,054</u>

The accompanying notes are an integral part of the financial statements.

CHARITIES REVIEW COUNCIL OF MINNESOTA, INC.

**STATEMENT OF FUNCTIONAL EXPENSES (Continued)
YEAR ENDED DECEMBER 31, 2017**

	2017							Total All Services
	Program Services				Support Services			
	Nonprofit Services	Donor Information/ Education Services	Donor Nonprofit Relations	Total Program	Management and General	Fundraising	Total Support	
Salaries	\$ 86,069	\$ 20,335	\$ 32,372	\$ 138,776	\$ 35,831	\$ 18,949	\$ 54,780	\$ 193,556
Payroll Taxes	6,587	1,563	2,518	10,668	2,780	1,463	4,243	14,911
Retirement Plan Contribution	6,030	1,545	2,334	9,909	2,256	1,375	3,631	13,540
Employee Benefits	360	111	152	623	1,050	90	1,140	1,763
Total Personnel Expenses	<u>99,046</u>	<u>23,554</u>	<u>37,376</u>	<u>159,976</u>	<u>41,917</u>	<u>21,877</u>	<u>63,794</u>	<u>223,770</u>
Professional Fees	152,063	12,505	26,992	191,560	27,941	1,489	29,430	220,990
Occupancy	12,834	3,722	5,241	21,797	5,842	3,099	8,941	30,738
Conferences and Meetings	1,213	—	20,095	21,308	1,295	29	1,324	22,632
Printing and Publications	369	4,325	93	4,787	782	2,961	3,743	8,530
Equipment Lease and Maintenance	2,116	508	931	3,555	1,937	588	2,525	6,080
Membership Dues and Subscriptions	4,396	969	1	5,366	242	—	242	5,608
Bank Fees	—	—	18	18	5,214	4	5,218	5,236
Supplies	1,649	564	696	2,909	1,771	429	2,200	5,109
Postage	189	2,642	76	2,907	287	1,709	1,996	4,903
Insurance	1,010	343	663	2,016	947	253	1,200	3,216
Telephone	950	399	926	2,275	556	322	878	3,153
Transportation	1,475	35	81	1,591	413	56	469	2,060
Public Awareness	806	242	60	1,108	35	10	45	1,153
Staff Development	169	—	—	169	117	50	167	336
Total Expenses Before Depreciation	<u>278,285</u>	<u>49,808</u>	<u>93,249</u>	<u>421,342</u>	<u>89,296</u>	<u>32,876</u>	<u>122,172</u>	<u>543,514</u>
Depreciation	<u>21,680</u>	<u>3,417</u>	<u>—</u>	<u>25,097</u>	<u>6,629</u>	<u>—</u>	<u>6,629</u>	<u>31,726</u>
Total Expenses	<u>\$ 299,965</u>	<u>\$ 53,225</u>	<u>\$ 93,249</u>	<u>\$ 446,439</u>	<u>\$ 95,925</u>	<u>\$ 32,876</u>	<u>\$ 128,801</u>	<u>\$ 575,240</u>

The accompanying notes are an integral part of the financial statements.

CHARITIES REVIEW COUNCIL OF MINNESOTA, INC.

**STATEMENT OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2018 AND 2017**

	<u>2018</u>	<u>2017</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in Net Assets	\$ 118,639	\$ (175,195)
Adjustments to Reconcile Change in Net Assets to Net Cash Flows From Operating Activities:		
Depreciation	27,396	31,726
Changes in Assets and Liabilities:		
Grants Receivable	(74,864)	101,405
Prepaid Expenses	(6,074)	(593)
Accounts Payable	7,748	(59,965)
Accrued Expenses	4,009	292
Deferred Revenue	(537)	23,537
Net Cash Flows From Operating Activities	<u>76,317</u>	<u>(78,793)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of Equipment and Software	<u>-</u>	<u>(6,432)</u>
Net Cash Flows From Investing Activities	<u>-</u>	<u>(6,432)</u>
NET CHANGE IN CASH	76,317	(85,225)
CASH at Beginning of Year	<u>183,583</u>	<u>268,808</u>
CASH at End of Year	<u>\$ 259,900</u>	<u>\$ 183,583</u>

The accompanying notes are an integral part of the financial statements.

CHARITIES REVIEW COUNCIL OF MINNESOTA, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Charities Review Council of Minnesota, Inc. (the Council) is incorporated under the laws of the State of Minnesota as a nonprofit organization operating exclusively for charitable purposes.

The Council is an independent resource for both donors and nonprofits who desire to improve the community through strong, accountable charities supported by informed donors. The Council's mission is to mobilize donors and accountable nonprofits for the greater good. The Council does this by:

- Empowering donors to make informed, thoughtful giving decisions.
- Strengthening nonprofits by building accountability into their governance and operations.

The Council reviews nonprofit organizations that voluntarily participate in its Accountability Wizard. Results of these reviews help the public determine the trustworthiness of a nonprofit organization before giving. Donors may access these review results as well as charitable giving tips on the Council's website or in their printed Giving Guide.

The Council also offers learning opportunities to nonprofit organizations by providing tools and resources for organizations to meet and sustain accountability. Where standards are not fully met, the Council provides technical assistance to help make structural, policy, or procedural changes. The new Diversity, Equity & Inclusion (DEI) Toolkit is an affordable and accessible online resource for nonprofits to help them meet the Diversity, Equity & Inclusion Accountability Standard. In 2017, the Council invested in the development of the DEI Toolkit as a new earned revenue stream and released funds raised in 2016 and 2017 for development and launch of the new product.

Basis of Presentation

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

Net Asset without Donor Restrictions - Net assets without donor restrictions are resources available to support operations 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 Council 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.

CHARITIES REVIEW COUNCIL OF MINNESOTA, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Subsequent Events

In preparing these financial statements, the Council has evaluated for recognition or disclosure the events or transactions that occurred through May 30, 2019, the date the financial statements were available to be issued.

Grants Receivable

Grants 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, if the present value factor is determined to be material. 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. The allowance for uncollectible contributions was \$0 at December 31, 2018 and 2017.

Equipment, Software and Depreciation

Equipment, and software 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 3 to 5 years.

Revenue Recognition and Deferred Revenue

Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Council 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 restrictions are reclassified to net assets without restrictions and reported in the statement of activities as net assets released from restrictions. Donor-imposed contributions are reported as net assets with restrictions, even if it is anticipated such restrictions will be met in the current reporting period.

Contributed materials are recorded as contributions, when received, at their fair market value when such value can be objectively and accurately determined.

CHARITIES REVIEW COUNCIL OF MINNESOTA, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue Recognition and Deferred Revenue (Continued)

The majority of fee for service revenues are for the Accountability Wizard, which covers a three-year period. The Council recognizes all revenue in year one because the vast majority of Council time and effort occur in the first year.

In-Kind Contributions

Included in in-kind contributions is donated services, recorded at fair market value. Donated services are recognized for services that create or enhance nonfinancial assets or require specialized skills, are provided by individuals possessing those skills, and would ordinarily be purchased if not provided by donation. Contributed services, including promises to give, that do not meet these criteria are not recognized. Donated services were \$0 and \$11,660 for 2018 and 2017.

Many individuals have donated time and services to advance the Council's programs and objectives. The value of these services has not been recorded in the financial statements because it does not meet the definition of recognition under generally accepted accounting principles.

Volunteers provided approximately 363 and 320 service hours to the Council during the years ended 2018 and 2017.

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.

The Council allocates its expenses on a functional basis among its various programs and support services. Expenses that can be identified with a specific program are allocated directly according to their natural expenditure classification. General and administrative that are common to several functions are allocated based on the proportion of time spent by employees performing those functions.

General and administrative expenses include those costs that are not directly identifiable with any specific program, but which provide for the overall support and direction of the Council.

Allocation of Joint Fundraising Costs

The Council's Donor Information/Education program is conducted to achieve programmatic goals by utilizing the direct mail campaign's request for contributions. Costs of conducting the direct mail campaign totaled \$8,343 and \$9,033 as of December 31, 2018 and 2017. Joint costs allocated to the Donor Information/Education program was \$7,643 and \$7,729, allocated to management and general was \$255 and \$618, and allocated to fundraising was \$445 and \$686 in 2018 and 2017, respectively.

CHARITIES REVIEW COUNCIL OF MINNESOTA, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Taxes

The Council is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code but is subject to income tax on net unrelated business income. The Council had no unrelated business income tax in 2018 and 2017.

The Council 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 Council 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 Council has identified no income tax uncertainties. The Council 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 Council to concentrations of credit risk consist principally of cash. The Council places its cash with high credit quality financial institutions and, by policy, limits the amount of credit exposure to any one financial institution. As of December 31, 2018, the Council had no significant concentrations of credit risk.

Change in Accounting Principle

In 2018, the Council implemented Accounting Standards Update (ASU) 2016-14, *Presentation of Financial Statements of Not-For-Profit Entities*, applying the changes retrospectively. The new standard changes the following aspects of the financial statements:

1. The temporarily restricted and permanently restricted net asset classes have been combined into a single net asset class called net assets with donor restrictions. The unrestricted net asset class has been renamed net assets without donor restrictions.
2. The financial statements include a disclosure about liquidity and availability of resources.

Reclassification

Certain amounts in the 2017 financial statements and notes have been reclassified to conform with the 2018 presentation. These reclassifications had no effect on net assets for either period.

CHARITIES REVIEW COUNCIL OF MINNESOTA, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 - NATURE OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (Continued)

Recently Issued Accounting Pronouncements

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which provides guidance for accounting for revenue from contracts with customers. The new guidance outlines a single comprehensive model for organizations to use in accounting for revenue from contracts with customers. This ASU is effective for annual and interim periods beginning after December 15, 2018 with early adoption permitted. It can be adopted using either a retrospective approach or a modified retrospective approach. The Council is currently evaluating this guidance to determine the impact it may have on its financial statements.

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 for annual and interim periods beginning after December 15, 2019 with early adoption permitted. It is to be adopted using the modified retrospective approach. The Council is currently evaluating this guidance to determine the impact it may have on its financial statements.

NOTE 2 - LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Council maintains and manages adequate operating reserves per policies set by the board of directors. The Finance Committee regularly reviews and recommends reserve policies to the board of directors for approval. The Board of Directors has not formally designated any funds as reserve funds.

The Council goal is to maintain an operating reserve of 90 days of budgeted operating expenses, less noncash items such as depreciation. The reserve consists of cash and assets with donor restrictions that will likely be released within 90 days.

Financial assets available for general expenditure, without donor or other restrictions limiting their use, within one year of December 31, 2018 are as follows:

Financial Assets:	
Cash	\$ 259,900
Pledges Receivable	<u>109,757</u>
Total Financial Assets	<u>369,657</u>
Net Assets with Donor Restrictions:	
Time Restricted Net Assets	105,000
Purpose Restricted	<u>17,000</u>
Less Financial Assets with Donor Restrictions	<u>122,000</u>
Total Financial Assets Available for General Expenditure within One Year	<u>\$ 247,657</u>

CHARITIES REVIEW COUNCIL OF MINNESOTA, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 3 - GRANTS RECEIVABLE

The following is a schedule of unconditional promises to give at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Within 1 Year	<u>\$ 109,757</u>	<u>\$ 34,893</u>
Total Grants Receivable	<u>\$ 109,757</u>	<u>\$ 34,893</u>

As of December 31, 2018 and 2017, the Council had conditional promises to give as a result of being named as a beneficiary in individuals' wills. Conditional promises to give are not recordable under GAAP and, in addition, the amount of the conditional promises to give is undeterminable.

NOTE 4 - LEASE COMMITMENTS

The Council rents its principal office. This lease is non-cancelable and expires November 30, 2020. The lease provides for annual base rent and also includes operating costs.

The Council also rents copier equipment. This lease expires in September 2022 and requires monthly payments of \$255.

Rent expense and future minimum rental commitments for these leases are as follows:

	<u>Real Estate</u>	<u>Equipment</u>	<u>Total</u>
Expense:			
2018	\$ 30,574	\$ 4,302	\$ 34,876
2017	30,738	4,302	35,040
Commitments:			
2019	\$ 28,439	\$ 3,060	\$ 31,499
2020	26,785	3,060	29,845
2021	-	3,060	3,060
2022	<u>-</u>	<u>2,295</u>	<u>2,295</u>
Total Commitments	<u>\$ 55,224</u>	<u>\$ 11,475</u>	<u>\$ 66,699</u>

NOTE 5 - RETIREMENT PLAN

The Council has established a retirement plan pursuant to section 403(b) of the Internal Revenue Code. Eligible employees may contribute up to 100% of their salaries. The Council makes a discretionary contribution of 5% of eligible employee's compensation to the Plan and a discretionary matching contribution on a dollar-for-dollar basis up to an additional 2% of compensation. Plan expense was \$14,329 and \$13,540 in 2018 and 2017.

CHARITIES REVIEW COUNCIL OF MINNESOTA, INC.

NOTES TO FINANCIAL STATEMENTS

NOTE 6 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consist of the following:

	<u>2018</u>	<u>2017</u>
Time Restricted:		
General Operations	<u>\$ 105,000</u>	\$ —
Total Time Restricted	<u>105,000</u>	—
Purpose Restricted:		
Annual Forum	—	—
Diversity, Equity and Inclusion Toolkit	<u>17,000</u>	—
Total Purpose Restricted	<u>17,000</u>	—
Total Net Assets with Donor Restrictions	<u>\$ 122,000</u>	<u>\$ —</u>

Net assets with donor restrictions released from restriction were \$128,050 and \$234,850 in 2018 and 2017. Net assets with donor restrictions were released from restriction due to satisfaction of program restrictions and passage of time.

NOTE 7 - CONCENTRATION

The Council derived 33% and 12% of its revenues from a single donor, for the years ended December 31, 2018 and 2017.