



# Financial Statements

MinnPost

Minneapolis, Minnesota

For the years ended December 31, 2021 and 2020



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MinnPost  
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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
MinnPost  
Minneapolis, Minnesota

### Opinion

We have audited the accompanying financial statements of MinnPost (a nonprofit organization), which comprise the statements of financial position as of December 31, 2021 and 2020, 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 MinnPost as of December 31, 2021 and 2020, 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 the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of MinnPost and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. 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 Statements

Management is responsible for the preparation and fair presentation of the 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 MinnPost ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### Auditor's 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 auditor's report that includes our opinion. 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 the Organization'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 the Organization'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.



**Abdo**  
Minneapolis, Minnesota  
May 17, 2022



## FINANCIAL STATEMENTS

**MinnPost**  
**Statements of Financial Position**  
**December 31, 2021 and 2020**

	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 1,235,634	\$ 694,398
Grants and contributions receivable	-	296,081
Accounts receivable	28,162	34,357
Prepaid expenses	38,381	20,849
<b>Total Current Assets</b>	<b>1,302,177</b>	<b>1,045,685</b>
<b>Noncurrent Assets</b>		
Rent deposit	1,525	1,525
<b>Total Assets</b>	<b>\$ 1,303,702</b>	<b>\$ 1,047,210</b>
<b>Liabilities and Net Assets</b>		
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Accounts payable	\$ 26,613	\$ 8,883
Accrued expenses	24,496	19,286
<b>Total Liabilities</b>	<b>51,109</b>	<b>28,169</b>
<b>Net Assets</b>		
Net assets without donor restrictions	846,403	618,118
Net assets with donor restrictions	406,190	400,923
<b>Total Net Assets</b>	<b>1,252,593</b>	<b>1,019,041</b>
<b>Total Liabilities and Net Assets</b>	<b>\$ 1,303,702</b>	<b>\$ 1,047,210</b>

See Independent Auditor's Report and Notes to the Financial Statements.

MinnPost  
 Statements of Activities  
 For the Year Ended December 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Grants and contributions	\$ 949,182	\$ 459,225	\$ 1,408,407
In-kind stock contributions	45,201	57,610	102,811
Total Support	994,383	516,835	1,511,218
Revenue			
Advertising income	294,846	-	294,846
Special events, net of expenses of \$16,163	147,500	-	147,500
Investment income	270	-	270
Other revenue	552	-	552
Total Revenue	443,168	-	443,168
Net Assets Released from Restrictions	511,568	(511,568)	-
Total Revenue and Support	1,949,119	5,267	1,954,386
Expenses			
Program services	1,320,192	-	1,320,192
Supporting services			
Management and general	144,525	-	144,525
Fundraising	256,117	-	256,117
Total Expenses	1,720,834	-	1,720,834
Change in Net Assets	228,285	5,267	233,552
Beginning Net Assets	618,118	400,923	1,019,041
Ending Net Assets	\$ 846,403	\$ 406,190	\$ 1,252,593

See Independent Auditor's Report and Notes to the Financial Statements.

**MinnPost**  
**Statements of Activities (Continued)**  
**For the Year Ended December 31, 2020**

	Without Donor Restrictions	With Donor Restrictions	Total
Support			
Grants and contributions	\$ 1,098,402	\$ 528,143	\$ 1,626,545
COVID-related grants	112,000	-	112,000
PPP loan forgiveness	250,700	-	250,700
Total Support	1,461,102	528,143	1,989,245
Revenue			
Advertising income	245,376	-	245,376
Special events, net of expenses of \$4,396	180,370	-	180,370
Investment income	3,041	-	3,041
Other revenue	121	-	121
Total Revenue	428,908	-	428,908
Net Assets Released from Restrictions	381,137	(381,137)	-
Total Revenue and Support	2,271,147	147,006	2,418,153
Expenses			
Program services	1,375,792	-	1,375,792
Supporting services			
Management and general	149,227	-	149,227
Fundraising	265,184	-	265,184
Total Expenses	1,790,203	-	1,790,203
Change in Net Assets	480,944	147,006	627,950
Beginning Net Assets	137,174	253,917	391,091
Ending Net Assets	\$ 618,118	\$ 400,923	\$ 1,019,041

See Independent Auditor's Report and Notes to the Financial Statements.



**MinnPost**  
**Statements of Functional Expenses**  
For the Years Ended December 31, 2021 and 2020

Expenses	2021			
	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Personnel costs	\$ 860,470	\$ 61,757	\$ 209,548	\$ 1,131,775
Professional fees and contract services	260,280	47,136	13,750	321,166
Occupancy	56,351	3,270	9,441	69,062
Office supplies and software	29,561	291	2,297	32,149
Other expense	6,509	27,600	2,123	36,232
Marketing and promotion	-	6	3,365	3,371
Insurance	15,257	215	834	16,306
News expense	38,398	-	-	38,398
Telephone and internet	19,169	1,012	4,125	24,306
Equipment rental and maintenance	14,178	317	1,342	15,837
Dues and subscriptions	11,357	2,260	5,644	19,261
Travel and meetings	3,725	61	294	4,080
Postage and shipping	760	59	2,067	2,886
Printing and publications	4,177	541	1,287	6,005
<b>Total Expenses</b>	<b>\$ 1,320,192</b>	<b>\$ 144,525</b>	<b>\$ 256,117</b>	<b>\$ 1,720,834</b>

Expenses	2020			
	Program Services	Supporting Services		Total Expenses
		Management and General	Fundraising	
Personnel costs	\$ 992,884	\$ 105,083	\$ 206,639	\$ 1,304,606
Professional fees and contract services	221,458	28,162	3,931	253,551
Occupancy	53,195	2,283	8,524	64,002
Office supplies and software	30,782	3,186	6,882	40,850
Other expense	1,967	6,342	23,606	31,915
Marketing and promotion	16,176	-	3,941	20,117
Insurance	14,951	516	1,927	17,394
News expense	15,666	-	-	15,666
Telephone and internet	11,921	372	2,688	14,981
Equipment rental and maintenance	6,669	888	410	7,967
Dues and subscriptions	5,545	1,131	764	7,440
Travel and meetings	3,633	1,171	738	5,542
Postage and shipping	647	80	3,206	3,933
Printing and publications	299	13	1,928	2,240
<b>Total Expenses</b>	<b>\$ 1,375,793</b>	<b>\$ 149,227</b>	<b>\$ 265,184</b>	<b>\$ 1,790,204</b>

See Independent Auditor's Report and Notes to the Financial Statements.

**MinnPost**  
**Statements of Cash Flows**  
For the Years Ended December 31, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 233,552	\$ 627,950
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Change in current assets:		
Grants and contributions receivable	296,081	(177,491)
Accounts receivable	6,195	33,240
Prepaid expenses	(17,532)	(1,662)
Change in current liabilities:		
Accounts payable	17,730	(29,868)
Accrued expenses	5,210	19,286
Deferred revenue	-	(5,006)
Net Cash Provided by Operating Activities	541,236	466,449
 Change in Cash and Cash Equivalents	 541,236	 466,449
Cash and Cash Equivalents, Beginning	694,398	227,949
Cash and Cash Equivalents, Ending	\$ 1,235,634	\$ 694,398

See Independent Auditor's Report and Notes to the Financial Statements.

MinnPost  
Notes to the Financial Statements  
December 31, 2021 and 2020

**Note 1: Summary of Significant Accounting Policies**

**A. Nature of Activities**

MinnPost (the Organization) is a nonprofit, nonpartisan digital news enterprise that engages and empowers Minnesotans in civic and cultural life through in-depth journalism. MinnPost's reporting covers local, state and regional issues with depth, clarity and context. As a mission-driven nonprofit, MinnPost is committed to providing its journalism free-of-charge to readers without any kind of paywall. MinnPost believes that high-quality journalism is a community asset – a public good that engages citizens, enables healthy democracy, and makes Minnesota stronger.

**B. Basis of Presentation**

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Contributions received are recorded as an increase in net assets without donor restrictions, or net assets with donor restrictions depending on the existence or nature of any donor restrictions. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions (Unrestricted) - Net assets without donor restrictions are those resources over which the Organization has discretionary control.

Net Assets With Donor Restrictions (Restricted) - Net assets with donor restrictions are those resources subject to donor-imposed restrictions, which will be satisfied by actions of the Organization and/or the passage of time. Donor restricted contributions, whose restrictions are met in the same reporting period, are reported as unrestricted support. Some resources are subject to donor-imposed restriction that they be maintained permanently by the organization. The Organization had no permanently restricted assets for years ended December 31, 2021 and 2020.

**C. 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 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates.

**D. Cash and Cash Equivalents**

For purposes of the statements of cash flows, the Organization considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

**E. Grants and Contributions Receivable**

Unconditional promises-to-give are recognized in the period the promises are made. Conditional promises-to-give are recognized when the conditions on which they depend are substantially met, that is, when the conditional promise becomes unconditional. Grants and contributions receivable was \$0 and \$296,081 as of December 31, 2021 and 2020, respectively. The outstanding balance of grants and contributions receivable is expected to be collected in the subsequent year.

MinnPost  
Notes to the Financial Statements  
December 31, 2021 and 2020

**Note 1: Summary of Significant Accounting Policies (Continued)**

**F. Accounts Receivable**

MinnPost extends credit to its customers on terms it establishes for individual customers. Receivables are recorded at amounts billed and are generally due when billed. Amounts outstanding for more than 30 days are considered delinquent. Accounts receivable are generally uncollateralized and MinnPost does not charge interest on accounts receivable balances. MinnPost reviews accounts receivable balances on a periodic basis and writes off delinquent receivables when they are considered uncollectible. MinnPost provides an allowance for doubtful accounts based on historical experience and management's evaluation of outstanding accounts receivables at the end of each year. The Organization had no allowance for doubtful accounts for the years ended December 31, 2021 and 2020, respectively.

**G. Prepaid Expenses**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses in the financial statements.

**H. Leasehold Improvements**

All major expenditures for leasehold improvements are capitalized at cost. Contributed items are recorded at fair market value at date of donation. Depreciation is provided through the use of the straight-line method with an estimated useful life of 5 years. The capitalization threshold is \$2,500.

**I. Deferred Revenue**

Deferred revenue is advertising revenue collected but not yet earned.

**J. Government Grants and Contracts**

Government grants and contract funds are recorded as contributions. Revenue is earned when eligible expenditures, as defined in each grant or contract, are made. Funds received but not yet earned are shown as refundable advances. Expenditures under government contracts are subject to review by the granting authority. To the extent, if any, that such a review reduces expenditures allowable under these contracts, MinnPost will record such disallowance at the time the final assessment is made.

**K. Contributions**

Contributions are recorded when received and recognized as support in the period received. If donor-imposed restrictions accompany the contribution, the amount is recorded as with donor restrictions until the donor-imposed restrictions expire or are fulfilled. Net assets with donor restrictions are reclassified to net assets without donor restrictions in the period donor-imposed restrictions expire or are fulfilled and are reported in the statements of activities as assets released from restrictions.

**L. In-Kind Stock Donations**

The Organization's policy related to stock gifts in-kind is to sell the stock at its fair market value upon receipt. The value of the stock is determined by value of the stock at the time of receipt. The amount received for the years ended December 31, 2021 and 2020 was \$102,811 and \$0, respectively.

Stock gifts with donor restriction are also immediately sold and the cash received from the sale is restricted with other restricted funds.

MinnPost  
Notes to the Financial Statements  
December 31, 2021 and 2020

**Note 1: Summary of Significant Accounting Policies (Continued)**

**M. Support and Revenue Recognition**

Support is recognized when the donor makes a promise to give to the Organization and there is sufficient evidence in the form of verifiable documentation that a promise was made and received. Revenue is recognized when services have been performed.

**N. Functional Allocation of Expenses**

Salaries and related expenses are allocated based on time spent and the best estimates of management. Expenses, other than salaries and related expenses, that are not directly identifiable by program or supporting service, are allocated on the best estimates of management.

**O. Advertising Expense**

The Organization follows the policy of charging the costs of advertising to expense as incurred. Advertising expense was \$3,371 and \$20,118 for the years ended December 31, 2021 and 2020, respectively.

**P. Income Tax**

MinnPost is exempt from income taxes under the Internal Revenue Code Section 501(c)(3) and similar state statutes. MinnPost files informational returns in the United States federal jurisdiction and in the Minnesota state jurisdiction. In addition, MinnPost files tax returns in relation to their unrelated business income. No taxable income was generated for the years ended December 31, 2021 and 2020.

**Q. Upcoming Accounting Pronouncements**

In March 2016, the FASB issued ASU No. 2016-02, *Leases*, as a new topic, Accounting Standards Codification 842. The objective of ASU No. 2016-02 is to increase the transparency and comparability among organizations by recognizing lease assets and lease liabilities on the statement of financial position and disclosing key information about leasing arrangements. ASU No. 2016-02 is effective for annual reporting periods beginning after December 15, 2021, and shall be applied using either a full retrospective or modified retrospective approach. Early adoption is permitted. The new guidance is effective for MinnPost in 2022. The Organization is currently evaluating the impact this standard will have on financial statements.

In September 2020, the FASB issued ASU No. 2020-07 Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets, which is intended to improve the transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. This ASU requires not-for-profit organizations to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. In addition to separate presentation on the statement of activities, this amendment requires enhanced disclosures around each category of contributed nonfinancial assets for donor-imposed restrictions, valuation techniques, description of programs or activities in which the assets were used, and if monetized a policy about monetizing rather than utilizing the asset(s). The amendments in this ASU should be applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Early adoption is permitted. The Organization is currently evaluating the impact this standard will have on its financial statements.

**R. Subsequent Events**

In preparing the financial statements, the Organization has evaluated events and transactions for potential recognition or disclosure through May 17, 2022, the date the financial statements were available to be issued.

**MinnPost**  
Notes to the Financial Statements  
December 31, 2021 and 2020

**Note 2: Concentrations of Credit Risk**

At December 31, 2021 and 2020, MinnPost held funds at a local financial institution in excess of federally insured limits. The Organization has not experienced, and does not anticipate, any losses in such accounts.

**Note 3: Leasehold Improvements**

MinnPost owned the following assets as of December 31:

	2021	2020
Leasehold Improvements	\$ 38,795	\$ 38,795
Less Accumulated Depreciation	(38,795)	(38,795)
Total	\$ -	\$ -

**Note 4: Leased Facilities**

MinnPost leases its office space under a non-cancelable operating lease. Terms of the lease requires monthly payments of \$2,903 through December 31, 2020, escalating to \$3,172 upon termination on December 31, 2023.

Future rental commitments are as follows:

Year Ending December 31,	Amount
2022	\$ 36,960
2023	38,064
Total	\$ 75,024

Rental expense was \$69,062 and \$64,002 for the years ended December 31, 2021 and 2020, respectively. The rental expense includes MinnPost's portion of the building's overhead, taxes and utilities.

**Note 5: Defined Contribution Plan**

MinnPost maintains a 401(k) defined contribution plan covering all eligible employees. MinnPost's contributions totaled \$23,021 and \$24,618 for the years ended December 31, 2021 and 2020, respectively.

MinnPost  
Notes to the Financial Statements  
December 31, 2021 and 2020

**Note 6: Net Assets with Donor Restrictions**

Net assets with donor restrictions have been restricted for the following purposes at December 31, 2021 and 2020:

	2021	2020
Time Restricted		
Future operations	\$ 323,104	\$ 146,344
Purpose Restricted		
Staff writers	67,586	232,296
Various reporting topics	15,500	8,667
Environment	-	13,616
Totals	\$ 406,190	\$ 400,923

**Note 7: COVID-19**

In December 2019, a novel strain of coronavirus (COVID-19) surfaced. The spread of COVID-19 around the world in 2020 and 2021 has caused significant volatility in U.S. and international markets. There is significant uncertainty around the breadth and duration of business disruptions related to COVID-19, as well as its impact on the U.S. and international economies and, as such, the Organization is unable to determine if it will have a material impact to its operations.

**Note 8: Paycheck Protection Program**

In April 2020, MinnPost entered into a promissory note agreement with Bremer Bank, National Association in the amount of \$250,700 pursuant to the Paycheck Protection Program (PPP) created by the Coronavirus Aid, Relief, and Economic Security Act (CARES Act) and governed by the Small Business Administration (SBA). The note accrued interest at one percent per annum and was scheduled to mature in April 2022. Up to 100 percent of the loan was forgivable when used to pay specified payroll and other costs within the qualified period (generally 24 weeks after receiving the funds). In January 2021, the loan was forgiven 100 percent.

**Note 9: Liquidity and Availability of Financial Assets**

Financial assets available for general expenditure, that is, without other restrictions limiting their use, within one year of December 31, 2021 and 2020, comprises of the following:

	2021	2020
Cash and Cash Equivalents	\$ 1,235,634	\$ 694,398
Grants and Contributions Receivable	-	296,081
Accounts Receivable	28,162	34,357
Total Financial Assets	1,263,796	1,024,836
Less financial assets unavailable for general expenditure within one year, due to:		
Net assets with donor restrictions	(28,833)	(311,245)
Financial assets available to meet cash needs for general expenditures within one year	\$ 1,234,963	\$ 713,591

As part of MinnPost's liquidity plan, MinnPost has a policy to structure its financial assets to be available as its general expenditures, liabilities and other obligations come due.