

# **OutFront Minnesota and Subsidiaries**

September 12, 2008

OutFront Minnesota  
310 38th Street East Suite 204  
Minneapolis, MN 55409-1337

We are pleased to present the results of our audit of the financial statements of OutFront Minnesota for the years ended December 31, 2007 and 2006. We sincerely appreciate the opportunity to serve as your auditors and demonstrate our ability to provide value to OutFront Minnesota.

The report contains the audited financial statements of OutFront Minnesota, as well as certain communications required by our professional standards. This report also consists of additional information relative to our recently completed audit, which we believe is of relevance to OutFront Minnesota.

This report is intended solely for the information and use of the Board of Directors and management of OutFront Minnesota, and is not intended to be and should not be used by anyone other than these specified parties.

Eide Bailly LLP

A handwritten signature in cursive script that reads "Beth Bird".

Beth Bird, CPA  
Partner

**AUDIT COMMUNICATIONS FOR  
OUTFRONT MINNESOTA**

Table of Contents

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	<u>Section</u>
<b>FINANCIAL STATEMENTS</b>	<b>I</b>
<b>REQUIRED AUDIT COMMUNICATIONS</b>	<b>II</b>

# **OutFront Minnesota and Subsidiaries**

## OUTFRONT MINNESOTA AND SUBSIDIARIES

### Table of Contents

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	<b><u>Page</u></b>
<b>INDEPENDENT AUDITOR'S REPORT</b>	1
<b>CONSOLIDATED FINANCIAL STATEMENTS</b>	
Financial Position	2
Activities	3
Functional Expenses	4
Cash Flows	5
Notes to Consolidated Financial Statements	6
<b>INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION</b>	12
<b>SUPPLEMENTARY INFORMATION</b>	
Consolidating Statements of Financial Position	13
Consolidating Statements of Activities	14
Consolidating Statements of Cash Flows	15

## INDEPENDENT AUDITOR'S REPORT

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The Board of Directors  
**OutFront Minnesota and Subsidiaries**  
Minneapolis, Minnesota

We have audited the accompanying consolidated statements of financial position of **OutFront Minnesota and Subsidiaries** (the Organization) as of December 31, 2007, and the related consolidated statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Organization's 2006 financial statements, and in our report dated July 30, 2007, we expressed an unqualified opinion on those financial statements.

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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over financial reporting. Accordingly, we do not express such an opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of **OutFront Minnesota and Subsidiaries** as of December 31, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

*Eide Bailly LLP*

Minneapolis, Minnesota  
September 9, 2008

**OUTFRONT MINNESOTA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2007 (WITH COMPARATIVE TOTALS FOR 2006)**

	<u>2007</u>	<u>2006</u>
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash and cash equivalents	\$ 100,418	\$ 84,409
Contributions receivable	130,040	168,453
Contracts and other receivables	20,523	7,705
Prepaid expenses	10,147	9,594
Investments	<u>1,020</u>	<u>961</u>
Total current assets	262,148	271,122
CONTRIBUTIONS RECEIVABLE, noncurrent	9,490	7,080
FURNITURE AND EQUIPMENT, net of depreciation	<u>3,850</u>	<u>10,384</u>
	<u>\$ 275,488</u>	<u>\$ 288,586</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable	\$ 60,133	\$ 80,810
Accrued expenses	45,702	39,207
Loan payable	75,000	-
Current maturities of lease payable	<u>3,183</u>	<u>4,330</u>
Total current liabilities	184,018	124,347
LONG-TERM LEASE PAYABLE	<u>-</u>	<u>3,183</u>
	<u>184,018</u>	<u>127,530</u>
<b>NET ASSETS</b>		
Unrestricted	(139,745)	(95,568)
Temporarily restricted	<u>231,215</u>	<u>256,624</u>
	<u>91,470</u>	<u>161,056</u>
	<u>\$ 275,488</u>	<u>\$ 288,586</u>

**OUTFRONT MINNESOTA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2007 (WITH COMPARATIVE TOTALS FOR 2006)**

	2007			2006
	Unrestricted	Temporarily Restricted	Total	
<b>SUPPORT AND REVENUE</b>				
Foundations and corporations	\$ 182,037	\$ 114,459	\$ 296,496	\$ 241,462
Individual contributions	150,294	5,000	155,294	171,177
Membership	93,372	17,494	110,866	111,324
United Way	-	99,888	99,888	99,888
Government contracts	108,576	-	108,576	94,305
Program service fees	5,548	-	5,548	19,267
Special events	26,244	-	26,244	24,006
Other income	11,319	-	11,319	(298)
Net assets released from restrictions	262,250	(262,250)	-	-
Total support and revenue	<u>839,640</u>	<u>(25,409)</u>	<u>814,231</u>	<u>761,131</u>
<b>EXPENSES</b>				
Program services				
Advocacy and organizing	444,091	-	444,091	513,395
Systems change and public policy	138,094	-	138,094	192,387
Total program services	<u>582,185</u>	<u>-</u>	<u>582,185</u>	<u>705,782</u>
Supporting services				
Management and general	160,938	-	160,938	165,515
Fundraising	140,694	-	140,694	111,480
Total supporting services	<u>301,632</u>	<u>-</u>	<u>301,632</u>	<u>276,995</u>
Total expenses	<u>883,817</u>	<u>-</u>	<u>883,817</u>	<u>982,777</u>
NET DECREASE IN NET ASSETS	(44,177)	(25,409)	(69,586)	(221,646)
NET ASSETS, BEGINNING OF YEAR	<u>(95,568)</u>	<u>256,624</u>	<u>161,056</u>	<u>382,702</u>
NET ASSETS, END OF YEAR	<u>\$ (139,745)</u>	<u>\$ 231,215</u>	<u>\$ 91,470</u>	<u>\$ 161,056</u>

**OUTFRONT MINNESOTA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES**  
**YEAR ENDED DECEMBER 31, 2007 (WITH COMPARATIVE TOTALS FOR 2006)**

	Advocacy and Organizing	Systems Change and Public Policy	Total Program Expenses	Management and General	Fund Raising	Total	
						2007	2006
Salaries	\$ 266,074	\$ 60,581	\$ 326,655	\$ 72,944	\$ 67,899	\$ 467,498	\$ 496,365
Employee benefits	46,728	8,959	55,687	7,647	9,076	72,410	75,846
Payroll taxes	26,554	6,085	32,639	7,392	6,836	46,867	50,597
Total personnel costs	<u>339,356</u>	<u>75,625</u>	<u>414,981</u>	<u>87,983</u>	<u>83,811</u>	<u>586,775</u>	<u>622,808</u>
Professional fees	2,045	28,286	30,331	26,765	707	57,803	36,725
Supplies	3,220	1,977	5,197	2,226	7,743	15,166	4,616
Telephone	5,830	967	6,797	1,699	884	9,380	10,634
Postage	3,003	3,672	6,675	2,823	2,992	12,490	21,737
Occupancy	34,242	5,342	39,584	10,444	5,334	55,362	54,010
Equipment maintenance/repair	16,679	4,346	21,025	5,736	4,220	30,981	40,721
Printing and publication	2,057	3,748	5,805	(525)	8,457	13,737	38,183
Transportation	6,026	2,051	8,077	578	274	8,929	14,598
Conference and meetings	7,025	432	7,457	389	17,285	25,131	6,846
Contract services	8,589	3,868	12,457	8,356	568	21,381	75,105
Public relations	4,157	422	4,579	415	1,353	6,347	18,777
Subscriptions and dues	1,044	6,480	7,524	203	6	7,733	4,028
Interest and bank charges	64	173	237	6,374	4,478	11,089	5,698
Miscellaneous	-	-	-	6,427	1,929	8,356	9,430
Sponsored projects	6,625	-	6,625	-	-	6,625	12,214
Depreciation	4,129	705	4,834	1,045	653	6,532	6,647
Total expenses	<u>\$ 444,091</u>	<u>\$ 138,094</u>	<u>\$ 582,185</u>	<u>\$ 160,938</u>	<u>\$ 140,694</u>	<u>\$ 883,817</u>	<u>\$ 982,777</u>

See Notes to Consolidated Financial Statements

**OUTFRONT MINNESOTA AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2007 (WITH COMPARATIVE TOTALS FOR 2006)**

	<u>2007</u>	<u>2006</u>
OPERATING ACTIVITIES		
Change in net assets	\$ (69,586)	\$ (221,646)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	6,533	6,647
Donated investments	(1,020)	(961)
Changes in net assets and liabilities		
Contributions receivable	36,003	159,991
Contracts and other receivables	(30,317)	12,766
Prepaid expenses	(553)	4,268
Accounts payable	(3,178)	32,056
Accrued expenses	6,495	15,105
NET CASH (USED FOR) FROM OPERATING ACTIVITIES	<u>(55,623)</u>	<u>8,226</u>
INVESTING ACTIVITIES		
Proceeds from investments	961	8,518
NET CASH FROM INVESTING ACTIVITIES	<u>961</u>	<u>8,518</u>
FINANCING ACTIVITIES		
Proceeds from debt issuance	75,000	-
Repayment of lease payable	(4,329)	(3,849)
NET CASH FROM (USED FOR) FINANCING ACTIVITIES	<u>70,671</u>	<u>(3,849)</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	16,009	12,895
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>84,409</u>	<u>71,514</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 100,418</u>	<u>\$ 84,409</u>
SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION		
Cash paid for interest	\$ 5,405	\$ 1,131

**OUTFRONT MINNESOTA AND SUBSIDIARIES**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**DECEMBER 31, 2007**

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**NOTE 1 - NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES**

*Nature of Activities*

The mission of OutFront Minnesota (OFM), OutFront Minnesota Community Services (OFMCS) and OutFront Minnesota Action (OFMA) (collectively, the Organization) is to ensure gay, lesbian, bisexual and transgender (GLBT) Minnesotans have the freedom, power and confidence to make the best choices for their own lives. The Organization promotes strong civil rights, safe communities, stable families and self-reliant individuals.

Members of the GLBT community face discrimination, harassment, physical/psychological abuse and violence directly associated with their perceived sexual orientation or gender identity. Public opinion may be slowly evolving toward a commitment to equality for GLBT Minnesotans, but significant barriers for our community remain; of significant importance are the current attempts to enact legislation which would limit our ability to form and maintain families.

The Organization pursues its mission through the following activities:

Advocacy and organizing - The Organization supports the development and growth of other local GLBT communities across the state by working in local communities with GLBT and allied individuals and organizations, and by frequent communications with our constituency by electronic and other means. The Organization functions as a clearinghouse for access to diverse community organizations and coordinated services. The Organization works with institutions across the state to ensure adequate and appropriate services, to eliminate duplication and to provide coordinated advocacy programs in the general community addressing specific needs.

Systems change and public policy - Through offering educational programs, sponsoring community trainings and advising decision-makers, the Organization influences a range of policy systems. The goal is to make all components of society fully accessible to GLBT Minnesotans. The Organization's current priorities are to raise awareness of and develop long-term support in the Minnesota general public for GLBT equality and justice, help local community members acquire the skills and information necessary to take leadership roles and become activists for change, and encourage civic engagement by the GLBT and allied community in our state's electoral and legislative processes in order to create positive reform.

OFM was incorporated in December 1997, under Minnesota's nonprofit corporation statutes and has been classified by the Internal Revenue Service as a tax-exempt social welfare organization under Section 501(c)(4) of the Internal Revenue Code (IRC).

OFMCS, formerly Gay and Lesbian Community Action Council, was incorporated in 1987, and is classified by the Internal Revenue Service as a tax-exempt charitable organization under Section 501(c)(3) of the IRC. Through a change in its membership structure on January 1, 1998, OFMCS became a subsidiary of OFM. OFMCS entered into a contract with OFM that requires OFM to conduct both the Section 501(c)(3) support and advocacy service program and the Section 501(c)(3) technical assistance program previously undertaken by OFMCS. OFMCS no longer employs staff or makes direct expenditures for these program areas, however, OFM bills OFMCS for such services as they occur, if at all, at no greater than fair market value. Although, OFMCS ceased all efforts under the Section 501(c)(3) systems change and public policy program, it may choose to make grants to support the lobbying efforts of other organizations, under the elective IRC Section 501(h) rules, in amounts no greater than OFMCS's annual overall and grassroots lobbying limits.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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OFMA was formed under Section 527 of the IRC, and defines itself as a political organization organized and operated primarily for the purpose of directly or indirectly accepting contributions and making expenditures to influence or attempt to influence the selection, nomination, election, or appointment of any individual to any federal, state, or local public office or office in a political organization.

The consolidated financial statements of the Organization include the accounts of OFM, OFMCS and OFMA. All significant inter-company accounts and transactions have been eliminated in consolidation.

### *Basis of Presentation*

The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables and other liabilities.

Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, *Financial Statements of Not-for-Profit Organizations*. Under the SFAS No.117, the Organization is required to report information regarding its financial position and activities according to three classes for net assets: unrestricted net assets, temporarily restricted net assets and permanently restricted net assets. Accordingly, net assets of the Organization and changes therein are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Organization and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed stipulations that must be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on any related investments for general or specific purposes.

### *Cash and Cash Equivalents*

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with an original maturity of three months or less as cash and cash equivalents.

### *Receivables*

Unconditional promises to give are recognized as revenues or gains in the period received, and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Contracts receivable consist of amounts expended as part of a contract for service but not yet received.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### *Allowance for Doubtful Accounts*

The Organization uses the allowance method to account for uncollectible receivables. The method provides for doubtful receivables equal to the estimated losses that will be incurred in the collection of receivables. No allowance was deemed necessary for the year ended December 31, 2007.

### *Furniture and Equipment*

Purchased furniture and equipment is capitalized at cost. The cost of maintenance and repairs is expensed as incurred and significant renewals and betterments are capitalized. Donations of furniture and equipment are recorded as support at their estimated fair value. Such donations are reported as unrestricted support, unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire furniture and equipment are reported as restricted support. If there are no donor stipulations regarding how long those donated assets must be maintained, the Organization reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. The Organization reclassifies temporarily restricted net assets to unrestricted net assets at that time.

Depreciation is recorded on the straight-line method over an estimated five-year useful life for all assets, with the exception of computer hardware and software which are being depreciated straight-line over an estimated three-year useful life.

### *Support/Revenue Recognition*

The Organization receives revenue primarily from public support consisting of governmental grants, United Way and corporate and individual contributions.

All contributions received, including unconditional promises to give, are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence and/or nature of any donor restrictions.

All donor-restricted support is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of the restriction. When a restriction expires (that is, when a stipulated time restriction ends or purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Government grants and contract funds are recorded as revenue when earned. Revenue is earned when eligible expenditures, as defined in each grant or contract, are made. Grant and other revenue billed in advance is recorded as deferred revenue and recognized as revenue in the period in which the related services are rendered.

At December 31, 2007, contributions receivable from United Way represented 72 percent of total contributions receivable, and public support revenue from United Way represented 12 percent of total support and revenue. All contributions receivable at December 31, 2007, are expected to be collected in fiscal year 2008.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### *Donated Services and Supplies*

Non-cash donations are reflected as support in the financial statements at their estimated values on the date of donation.

Donated services are recognized as contributions in accordance with SFAS No. 116, if the services (a) create or enhance non-financial assets, or (b) require specialized skills; are performed by people with those skills and would otherwise be purchased by the Organization. Volunteers also provided services throughout the year that are not recognized as contributions in the financial statements since the criteria for SFAS No. 116 are not met.

### *Functional Expenses*

The costs of providing the various programs and activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Expenses requiring allocation include telephone service, rent, depreciation and other expenses provided by the Organization to the various programs. Expense allocations to programs are pro-rated based on estimated employee time spent.

### *Income Taxes*

OFM is exempt from income taxes under Section 501(c)(4) of the IRC and similar state income tax laws for related activities. OFMCS is exempt from income taxes under Section 501(c)(3) of the IRC and similar state income tax laws for related activity. OFMA is exempt from income taxes under Section 527 of the IRC and similar state income tax laws for related activity.

### *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 reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

### *Comparative Financial Information*

The financial statements include certain prior year summarized comparative information in total, but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2006, from which the summarized information was derived.

### *Reclassifications*

Certain amounts in the prior year financial statements have been reclassified for comparative purposes to conform with the presentation in the current year financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 2 - TEMPORARILY RESTRICTED NET ASSETS

As of December 31, 2007, temporarily restricted net assets are available for the following purposes or periods:

Time	\$ 23,864
Program/purpose	<u>207,351</u>
Total temporarily restricted net assets	<u>\$ 231,215</u>

For the year ended December 31, 2007, net assets released from restriction consisted of:

Time	\$ 19,095
Program/purpose	<u>243,155</u>
Total net assets released from restriction	<u>\$ 262,250</u>

### NOTE 3 - RETIREMENT PLAN

The Organization has established a Simple IRA plan. Eligible employees may defer their salary up to \$10,000 in 2005 and thereafter, plus a make-up provision, as prescribed by law, for employees who were 50 years of age during 2002 and after. The Organization matches employee contributions up to 3 percent of the eligible employee's salary. Matching contributions of \$10,413 were made in the year ended December 31, 2007.

### NOTE 4 - LEASES PAYABLE

The Organization leases equipment under a capital lease. Equipment includes the following under capital leases at December 31, 2007:

Equipment	\$ 12,550
Accumulated depreciation	<u>(9,761)</u>
Net book value	<u>\$ 2,789</u>

Total amortization expense on the capital lease was \$4,183 for the year ended December 31, 2007.

### NOTE 5 - NOTE PAYABLE

At December 31, 2007, the Organization has a \$75,000 note payable to Nonprofits Assistance Fund, requiring monthly interest only payments of \$625 through December, 2008 and the principal balance due December 31, 2008. The note is secured by all assets and a grant to the Organization.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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### NOTE 6 - CONTINGENCIES

Financial assistance from a state governmental entity in the form of a contract is subject to special audit. Such an audit could result in claims against the Organization for disallowed costs or noncompliance with contract restrictions. No provision has been made for any liabilities that may arise from such audits since the amounts, if any, cannot be determined at this date.

# **OutFront Minnesota And Subsidiaries**

**INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY INFORMATION**

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The Board of Directors  
**OutFront Minnesota and Subsidiaries**  
Minneapolis, Minnesota

Our audit was made for the purpose of forming an opinion on the consolidated financial statements taken as a whole. The consolidating information is presented for purposes of additional analysis of the consolidated financial statements rather than to present the financial position, results of operations and cash flows of the individual organizations. The consolidating information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the consolidated financial statements taken as a whole.

*Eide Sully LLP*

Minneapolis, Minnesota  
September 9, 2008

**OUTFRONT MINNESOTA AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENTS OF FINANCIAL POSITION**  
**DECEMBER 31, 2007**

	OutFront Minnesota (501(c)(4))	OutFront Minnesota Community Services (501(c)(3))	OutFront Minnesota Action (PAC)	Eliminations	Total
<b>ASSETS</b>					
<b>CURRENT ASSETS</b>					
Cash and cash equivalents	\$ 25,679	\$ 74,589	\$ 150	\$ -	\$ 100,418
Contributions receivable	17,374	112,666	-	-	130,040
Contracts and other receivables	124,467	17,144	-	(121,088)	20,523
Prepaid expenses	10,147	-	-	-	10,147
Investments	-	1,020	-	-	1,020
<b>Total current assets</b>	<b>177,667</b>	<b>205,419</b>	<b>150</b>	<b>(121,088)</b>	<b>262,148</b>
<b>CONTRIBUTIONS RECEIVABLE, noncurrent</b>	<b>6,490</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>9,490</b>
<b>FURNITURE AND EQUIPMENT, net of depreciation</b>	<b>2,782</b>	<b>1,068</b>	<b>-</b>	<b>-</b>	<b>3,850</b>
	<b>\$ 186,939</b>	<b>\$ 209,487</b>	<b>\$ 150</b>	<b>\$ (121,088)</b>	<b>\$ 275,488</b>
<b>LIABILITIES AND NET ASSETS</b>					
<b>CURRENT LIABILITIES</b>					
Accounts payable	49,573	\$ 124,288	\$ 7,360	(121,088)	\$ 60,133
Accrued expenses	45,702	-	-	-	45,702
Loan payable	-	75,000	-	-	75,000
Current maturities of lease payable	3,183	-	-	-	3,183
<b>Total current liabilities</b>	<b>98,458</b>	<b>199,288</b>	<b>7,360</b>	<b>(121,088)</b>	<b>184,018</b>
<b>LONG-TERM LEASE PAYABLE</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>98,458</b>	<b>199,288</b>	<b>7,360</b>	<b>(121,088)</b>	<b>184,018</b>
<b>NET ASSETS</b>					
Unrestricted	64,042	(196,577)	(7,210)	-	(139,745)
Temporarily restricted	24,439	206,776	-	-	231,215
	<b>88,481</b>	<b>10,199</b>	<b>(7,210)</b>	<b>-</b>	<b>91,470</b>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<b>\$ 186,939</b>	<b>\$ 209,487</b>	<b>\$ 150</b>	<b>\$ (121,088)</b>	<b>\$ 275,488</b>

**OUTFRONT MINNESOTA AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENTS OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2007**

	OutFront Minnesota (501(c)(4))	OutFront Minnesota Community Services (501(c)(3))	OutFront Minnesota Action (PAC)	Eliminations	Total
<b>SUPPORT AND REVENUE</b>					
Foundations and corporations	\$ 8,223	\$ 288,273	\$ -	\$ -	\$ 296,496
Individual contributions	7,881	147,313	100	-	155,294
Membership	110,866	-	-	-	110,866
United Way	-	99,888	-	-	99,888
Government contracts	-	108,576	-	-	108,576
Program service fees	644,470	65,000	-	(703,922)	5,548
Special events	-	26,244	-	-	26,244
Other income	10,238	1,081	-	-	11,319
<b>Total support and revenue</b>	<b>781,678</b>	<b>736,375</b>	<b>100</b>	<b>(703,922)</b>	<b>814,231</b>
<b>EXPENSES</b>					
Program services					
Advocacy and organizing	474,289	398,779	-	(428,977)	444,091
Systems change and public policy	144,176	48,010	773	(54,865)	138,094
<b>Total program services</b>	<b>618,465</b>	<b>446,789</b>	<b>773</b>	<b>(483,842)</b>	<b>582,185</b>
Supporting services					
Management and general	156,438	119,993	25	(115,518)	160,938
Fundraising	133,108	112,098	50	(104,562)	140,694
<b>Total supporting services</b>	<b>289,546</b>	<b>232,091</b>	<b>75</b>	<b>(220,080)</b>	<b>301,632</b>
<b>Total expenses</b>	<b>908,011</b>	<b>678,880</b>	<b>848</b>	<b>(703,922)</b>	<b>883,817</b>
<b>NET (DECREASE) INCREASE IN NET ASSETS</b>	<b>(126,333)</b>	<b>57,495</b>	<b>(748)</b>	<b>-</b>	<b>(69,586)</b>
<b>NET ASSETS, BEGINNING OF YEAR</b>	<b>214,814</b>	<b>(47,296)</b>	<b>(6,462)</b>	<b>-</b>	<b>161,056</b>
<b>NET ASSETS, END OF YEAR</b>	<b>\$ 88,481</b>	<b>\$ 10,199</b>	<b>\$ (7,210)</b>	<b>\$ -</b>	<b>\$ 91,470</b>

**OUTFRONT MINNESOTA AND SUBSIDIARIES**  
**CONSOLIDATING STATEMENTS OF CASH FLOWS**  
**YEAR ENDED DECEMBER 31, 2007**

	OutFront Minnesota (501(c)(4))	OutFront Minnesota Community Services (501(c)(3))	OutFront Minnesota Action PAC	Eliminations	Total
<b>OPERATING ACTIVITIES</b>					
Change in net assets	\$ (126,333)	\$ 57,495	\$ (748)	\$ -	\$ (69,586)
Adjustments to reconcile change in net assets to net cash provided by operating activities					
Depreciation	4,806	1,727	-	-	6,533
Donated investments	-	(1,020)	-	-	(1,020)
Changes in net assets and liabilities					
Contributions receivable	1,601	34,402	-	-	36,003
Contracts and other receivables	136,350	(9,513)	-	(157,154)	(30,317)
Prepaid expenses	(553)	-	-	-	(553)
Accounts payable	(29,437)	(128,073)	(2,822)	157,154	(3,178)
Accrued expenses	6,495	-	-	-	6,495
<b>NET CASH USED FOR OPERATING ACTIVITIES</b>	<u>(7,071)</u>	<u>(44,982)</u>	<u>(3,570)</u>	<u>-</u>	<u>(55,623)</u>
<b>INVESTING ACTIVITIES</b>					
Proceeds from investments	-	961	-	-	961
	<u>-</u>	<u>961</u>	<u>-</u>	<u>-</u>	<u>961</u>
<b>FINANCING ACTIVITIES</b>					
Proceeds from debt issuance	-	75,000	-	-	75,000
Repayment of lease payable	(4,329)	-	-	-	(4,329)
	<u>(4,329)</u>	<u>75,000</u>	<u>-</u>	<u>-</u>	<u>70,671</u>
<b>NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS</b>	(11,400)	30,979	(3,570)	-	16,009
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR</b>	<u>37,079</u>	<u>43,610</u>	<u>3,720</u>	<u>-</u>	<u>84,409</u>
<b>CASH AND CASH EQUIVALENTS, END OF YEAR</b>	<u>\$ 25,679</u>	<u>\$ 74,589</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 100,418</u>
<b>SUPPLEMENTAL DISCLOSURES OF CASH FLOW INFORMATION</b>					
Cash paid for interest	\$ 2,105	\$ 3,300	\$ -	\$ -	\$ 5,405