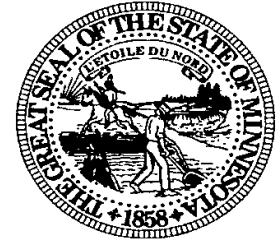


820017500024



Office of the Minnesota Secretary of State
Minnesota Public Benefit Corporation / Annual Benefit Report
Minnesota Statutes, Chapter 304A



Read the instructions before completing this form
Must be filed by March 31
Filing Fee: \$55 for expedited service in-person, \$35 if submitted by mail

The Annual Benefit Report covers the 12 month period ending on December 31 of the previous year.
Notice: Failure to file this form by March 31 of this year will result in the revocation of the corporation's public benefit status without further notice from the Secretary of State, pursuant to Minnesota Statutes, Section 304A.301

1. Corporate Name: (Required) Dark Clouds GBC

2. The public benefit corporation's board of directors has reviewed and approved this report.

3. In the field below, enter the information required by section 304A.301 subd. 2 or 3 for the period covered by this report, (see instructions for further information): Note: Use additional sheets if needed. (Required)

See attached

4. I, the undersigned, certify that I am the chief executive officer of this public benefit corporation. I further certify that I have signed this document no more than 30 days before the document is delivered to the secretary of state for filing, and that this document is current when signed. I further certify that I have completed all required fields, and that the information in this document is true and correct and in compliance with the applicable chapter of Minnesota Statutes. I understand that by signing this document I am subject to the penalties of perjury as set forth in Section 609.48 as if I had signed this document under oath.

JM [Signature]
Signature of Public Benefit Corporation's Chief Executive Officer

3/27/17
Date (Must be dated within 30 days before the report is delivered to the Secretary of State for Filing)

Email Address for Official Notices

Enter an email address to which the Secretary of State can forward official notices required by law and other notices:

board@dark-clouds.com

Check here to have your email address excluded from requests for bulk data, to the extent allowed by Minnesota law.

List a name and daytime phone number of a person who can be contacted about this form:

Kate Thersleff 612-910-1008
Contact Name Phone Number

Entities that own, lease, or have any financial interest in agricultural land or land capable of being farmed must register with the MN Dept. of Agriculture's Corporate Farm Program.

Does this entity own, lease, or have any financial interest in agricultural land or land capable of being farmed?
Yes No

2017 Dark Clouds GBC Annual Benefit Report



Table of Contents

Introduction

History

Partnerships

Pursuit of Mission

Inclusive Culture

INTRODUCTION

More than any other sport, soccer brings people together. We gather together in parks around the world to play the game and in stadiums and in front of televisions to cheer for our teams. Every four years the entire planet slows down for a month to see which nation will win the men's World Cup, and the rapid growth of the women's game is beginning to captivate the world in much the same way. Soccer fans organize around our love of the game to better support our teams, contribute to community causes, and create works of art that express our devotion.

Being a sports fan is being a part of a community. Teams represent neighborhoods, cities, whole states and regions. Fans that identify with a team can put aside differences they might see between themselves and other fans so that they can stand and sing while they support the team that brings them together. That feeling of shared identity and unity of purpose can be intoxicating; urging your team forward as the minutes and tension pile up, singing songs to inspire the players until that breakthrough moment where they finally score that goal. It's not strange to see complete strangers turn to each other and high five or even embrace.

The Dark Clouds facilitate that connection to the sport and to other fans. By creating clothing, other merchandise, and organizing travel to events, fans recognize that thing they have in common. We promote events and activities that continue these relationships outside of the stands. We build relationships between people that can last for years and bring families together.

It isn't just about bringing people together, though, because once you've brought people together, they have the power to do great things. Volunteering in our community and donating to worthy causes is the most important part of what the Dark Clouds do. That work and that generosity is constantly reinforced as a social norm in the community, and those benefits can be directed both toward the sport that unites us, and toward the broader communities our diverse membership occupy.

Being a Dark Cloud is a lifestyle. A love of sport, a passion in support, and a sense of duty to do good in and for the greater community.

HISTORY

The Dark Clouds first began during the 2004 Minnesota Thunder season where a small group of like-minded soccer fans recognized each other around the stadium. They were all excited about the games and enjoyed good natured heckling of opposition athletes. They travelled together to away games, tailgated before home games, and sang and cheered throughout. As the team was named “The Thunder,” they decided to refer to themselves as “Dark Clouds”, an amusing in-joke to the good natured, welcoming group that had come together. It was a moniker that couldn't be farther from the true character of the founding fans.

The soccer marketplace is a turbulent one, though, and the pro teams in Minnesota have changed names multiple times since then. NSC Minnesota Stars, Minnesota Stars, and now Minnesota United have all benefited from the Dark Clouds' support, waving the flag of the iconic black cloud on a grey field that has come to represent the fans of Minnesota soccer.

Those years of relative uncertainty have occurred during a period of growth and development in American professional soccer. Early in this period some fans incorporated as Blue Sky Soccer LLC to provide merchandise to Dark Cloud fans, and proceeds from that merchandise were donated to worthy, soccer-related causes like Nothing But Nets, Grassroot Soccer, and the Sanneh Foundation. More recently, though, the sport is growing at a greater and greater pace, so the opportunity to do more to serve fans while also serving the community has increased exponentially as Minnesota United starts its integral MLS season.

Seeing this opportunity is why we've incorporated Dark Clouds as a General Benefit Corporation (GBC). The Dark Clouds have created their own history and presence by supporting professional soccer in Minnesota, giving people something they can rally behind and use to demonstrate their support. Over the past three seasons we have partnered with Minnesota United to offer a special Dark Clouds section of the stadium where more passionate, dramatic shows of support like singing, flag waving, and fan-handled pyrotechnics are permitted. People are excited to be in that section, and they want to show their friends that they're part of that even on non-game days. It provides a game-day experience unlike anything else offered in the Minnesota sporting landscape, where supporting your team means getting involved at a greater level. Selling apparel and promoting events where these fans can gather together generates and reinforces a sense of belonging and excitement, as well as generating significant profit to spread positive impact throughout Minnesota.

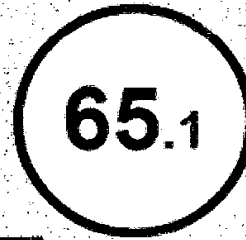
This year the Board of Directors chose to utilize the B Impact Assessment to help us measure what we are excelling with and what areas we need to work on improving. We scored 65.1 overall on the B Impact Assessment. The community category was our strongest area at a score of 66.1, while environment was our weakest with a score of 2.0. Highlights from the B Impact Assessment follow.

Overall B Impact Score

Dark Clouds GBC

For Calendar Year Ending: Dec. 31st, 2016

Your scores below are being compared against 148 Ordinary Businesses that also have 0 employees.



Impact Area Scores

	Governance	15.8	5.4 - 15.8	+
	Community	44.8	18.9 - 44.8	+
	Environment	4.5*	4.5 - 5.5	+
	Customers	NA		+

PARTNERSHIPS

The Dark Clouds are creating an impact on Minnesota Soccer culture. Here are some specific ways we have succeeded in meeting our benefit statement.

1. Impact of our partnership with MNUFC

The Dark Clouds and Minnesota United enjoy a mutually beneficial relationship. In fact, it was our support of the previous team, Minnesota Stars FC, that convinced the current ownership group to purchase the team in 2012. The Dark Clouds contribute to game day atmosphere and excitement with the songs and demonstrations of support, and Minnesota United provides the soccer that our membership is dying to see.

Minnesota United recognizes the value of that relationship and supports the work of the Dark Clouds GBC as evidenced by their sale of a “Dark Clouds Supporters” branded season ticket. That ticket, located in the Dark Clouds Supporters section of the stadium, uses a portion of its price to subsidize the activities of the Dark Clouds GBC. This year we will see an increase in Dark Clouds season ticket holders from 520 to over 900.

2. Impact of our partnership with the Sanneh Foundation

The Sanneh Foundation—founded by Saint Paul native and former international soccer player Tony Sanneh—has been a frequent partner of the Dark Clouds since their inception. The work of the Sanneh Foundation focuses on empowering kids, improving lives, and uniting communities in the Twin Cities and Haiti. Their programs provide tutoring and mentorship for high school students in St. Paul Public Schools, the operation of Conway Community Center, and the Haitian Initiative program, supporting at risk youth by connecting their education with the game they love.

The Dark Clouds have functioned as fundraisers for the Sanneh Foundation (donating thousands through silent auctions and other fundraising efforts), and as volunteers for the Foundation’s own events (staffing the Twin Cities Burger Battle). This year we started what we hope to be an annual trip to Haiti with the Haitian Initiative and subsidized sending 6 members to Haiti for volunteer work.

3. Impact of our partnerships with significant local businesses

The Dark Clouds have also made an effort to engage with local businesses in Minnesota. We have several long standing relationships with local breweries and bars. We have grown exponentially in the past year and now have over 900 members who are looking for places to meet and mingle before and after soccer games. We have continued our relationship with the Nomad world pub and worked with them places to not only watch games but also hold silent auctions, small book releases, drink discounts and to give our members the opportunity to socialize.

We are also looking to form more partnerships with local places to have our merchandise made. We sourced almost all of the apparel that we sell from two local t-shirt printers, Chux and General Sports. We are looking to continue this in the coming year as well as expand our local business partners by working with businesses like Wear-a-Knit in Cloquet, MN to make hats.

4. Impact of our push to be inclusive and diverse

One of our strongest scores came because of the diversity of our Board of Directors. We are a very diverse group of individuals who were elected to our positions this year and we reflect the people we are representing. One of our goals as a group is to ensure that everyone feels welcome and comfortable at a game. In order to make this a reality we are looking at partnering with local other groups like the TC Jacks to ensure that we are being as open and welcoming as possible.

5. Areas for improvement

One area that we need to work on improving is using local apparel companies to produce our merchandise. The Dark Clouds brand is something that we are currently building and considering what kind of businesses we wish to be associated with in the future is an important step this year. We have improved on this slightly in the last year with our partnerships with Chux, General Sports and Wear-a-Knit in Cloquet, and are hoping to also open a local creators store on our site to help Dark Clouds members who have skills and artistic talent sell items to other fans.

IMPACT HIGHLIGHTS OF 2016

- Organizing 30 buses that ferried fans to and from Blaine on the DETHLOON Express, providing safe transport and helping people make friends.
- 104 active volunteers, with 726 volunteer hours contributed through 13 Silver Lining events.
- \$1,465 donation to the Sanneh Foundation.

- \$1,535 raised for the Sanneh Foundation through a fundraiser auction event.
- \$2,622 raised for SAYEC through the Dark Clouds Charity Card Club fundraiser.
- \$13,440 in revenue from clothing and merchandise sales.
- \$11,821 in revenue from DETHLOON Express bus sales.
- \$13,935 in revenue from membership sales.

PURSUIT OF MISSION

The mission of the Dark Clouds is to support professional soccer, serve and build communities, and create a welcoming, inclusive culture around the sport in Minnesota.

In 2016, the Dark Clouds supported professional soccer in Minnesota by helping to sell season tickets. We did this by creating a culture and brand that is present at Minnesota United games and that people are excited to be a part of. Season ticket sales are an important way for that organization to demonstrate its effectiveness, and helping to advertise and contribute to those sales shows support for the team that they can bring to stakeholders. Every person who comes to a Minnesota United game is invited to participate in the game day experience the Dark Clouds help create and this helps to foster a sense of community and keeps people coming back and invested in the team. Extending beyond those sales efforts, the Dark Clouds create an unmistakable point of entry for fans new to the game. The eye is drawn to our section, full of singing, flag-waving fans that were tailgating out front of the stadium. It is an environment that makes people want to become involved and allows them opportunities to connect with people who share similar interests.

Soccer is so much more than just the professional game, though, and the Dark Clouds have served youth by supporting the activities of Somali American Youth Enrichment Club and The Sanneh Foundation. We feel that it is important to give back to the community that our team plays in and have a very strong culture of volunteerism. Our members are involved in striping fields and repairing nets with volunteer hours, staffing community events that connect people with resources in underserved neighborhoods, and contributing thousands of dollars to sponsor youth soccer clinics and programs in the Twin Cities. This allows our members a chance to both connect with people who share similar values and to make a difference in our community.

SERVE AND BUILD

In 2016, through our Dark Clouds Silver Lining volunteer wing, we contributed over 700 volunteer hours. Here are some of our Silver Lining projects for the year:

- Staffing events in collaboration with The Sanneh Foundation.
- Counting loons in their natural habitat for the Minnesota Department of Natural Resources.
- Packing food at Second Harvest Heartland and meals at Feed My Starving Children.

- Organizing volunteers to help to build a community garden with seven raised planter beds in North Minneapolis.

INCLUSIVE CULTURE

Soccer is a naturally inclusive sport. It is easy to travel to all corners of the world and join in a game and make new connections with people who you might not have any other common ground. Those interactions build communities wherever you are and allow you to grow as a person and see the world from a different perspective. Our goal is to enable our members to make a difference in the lives of people in the state of Minnesota, while at the same time, providing an environment around the game that makes others feel comfortable and welcome. We are working to reach out to underserved communities, groups that may feel marginalized or even ignored, and provide them with a space where they feel comfortable to be themselves.

DIRECTIONS FOR 2017

One of our first goals for 2017 is to acquire a space and equipment necessary to turn merchandise side of the business into an 80k/yr minimum revenue-generator. We have set the following goals to help us achieve this milestone:

- Lease space for less than \$13k/yr
- Streamline art/design approval process and ordering schedule
- Continue bringing in more help in fulfillment/creative work
- Improve social and other marketing efforts to improve short-term ROI on merch orders

We will always be a volunteer and community oriented group and to make sure that we do not lose sight of this as we grow, we are setting donation and volunteer goals for 2017. We would like to donate a minimum of \$10k cash to local charities and neighborhoods that help support our mission statement “to support professional soccer, serve and build communities, and create a welcoming, inclusive culture around the sport in Minnesota”. We would also like to leverage our members and show our commitment to building communities by having them show up for 800 hours of service work with nonprofit partners.

And to enable that all this happens and that we continue to grow as an organization we are working to establish a budget for and a mechanism for awarding affiliate grants. This will allow us to continue to grow and support different initiatives in our community that we might otherwise miss.

In 3-5 years:

In 3 years Minnesota United will be in its own stadium, and we'd like the Dark Clouds to be administering a kind of club-within-a-club in that stadium. The Dark Clouds should be the umbrella organization overseeing the policies and funding of supporters-group-type-things happening in the supporters end of that stadium. To that end, Dark Clouds GBC will function as a merchandise company (perhaps one day with retail presence in or near the stadium), event promoter (perhaps using event spaces inside the stadium), and a coordinating force among supporters groups within the stadium.

The first step in that vision is further establishing our position as the preeminent supporters group and supporters culture in the club, but using that position to foster good relationships with other groups as they form. From there we establish partnerships with ever-larger businesses and individuals to help grow the business side of the DC GBC to increase the local and public global impact of the charitable and the supporters activities.

Further developing those systems should allow us to involve more people more deeply in the organization, working toward professionalizing some of the more operational functions currently executed by volunteers. We are also looking into engaging in strategic planning to help us figure out what steps we need to take to achieve our long term goals. Things like merchandise sales and fulfilment are work that we will hopefully soon be paying people to do.



Work Item 943374200033
Original File Number 820017500024

STATE OF MINNESOTA
OFFICE OF THE SECRETARY OF STATE
FILED
03/30/2017 11:59 PM

Steve Simon

Steve Simon
Secretary of State