



**UNITED WAY OF RHODE ISLAND, INC.**

Financial Statements

June 30, 2008

(with summarized financial information for 2007)

(With Independent Auditors' Report Thereon)

**UNITED WAY OF RHODE ISLAND, INC.**  
Financial Statements  
June 30, 2008  
(with summarized financial information for 2007)

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**KPMG LLP**  
50 Kennedy Plaza  
Providence, RI 02903-2321

## Independent Auditors' Report

The Board of Directors  
United Way of Rhode Island, Inc.:

We have audited the accompanying statement of financial position of the United Way of Rhode Island, Inc. (the United Way) as of June 30, 2008, and the related statements of activities, cash flows and functional expenses for the year then ended. These financial statements are the responsibility of the United Way's management. Our responsibility is to express an opinion on these financial statements based on our audit. The 2007 summarized financial information has been derived from the United Way's June 30, 2007 financial statements and, in our report dated December 17, 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 United Way's internal control over financial reporting. Accordingly, we express no such opinion. An audit also 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 the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the United Way as of June 30, 2008, and the changes in its net assets and its cash flows for the year then ended in conformity with U.S. generally accepted accounting principles.

**KPMG LLP**

December 8, 2008

**UNITED WAY OF RHODE ISLAND, INC.**  
Statement of Financial Position  
June 30, 2008  
(with summarized financial information for 2007)

<b>Assets</b>	<u>2008</u>	<u>2007</u>
Cash	\$ 1,502,752	1,101,708
Pledges receivable:		
2007-08 and future Campaigns	6,250,798	—
2006-07 and future Campaigns	—	6,885,041
Gross pledges receivable	6,250,798	6,885,041
Less allowance for uncollectible pledges	(494,834)	(343,536)
Pledges receivable, net	5,755,964	6,541,505
Other receivables	981,699	919,852
Investments:		
Certificates of deposit - campaign	8,068,454	8,040,243
Certificates of deposit - building fund	1,350,000	—
Funds held in trust by others	436,792	251,908
Mutual funds	67,533	80,306
Total investments	9,922,779	8,372,457
Prepaid expenses and other assets	36,523	23,966
Property and equipment, net (notes 5 and 10)	2,222,335	515,737
Property under capital lease, net of accumulated depreciation of \$4,920 (note 10)	880,624	—
Total assets	<u>\$ 21,302,676</u>	<u>17,475,225</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Undistributed agency allocations	\$ 7,925,308	8,501,912
Accounts payable and accrued expenses	677,586	816,902
Accrued pension liability (note 4)	—	133,714
Obligation under capital lease (note 10)	885,129	—
Total liabilities	9,488,023	9,452,528
Commitments and contingencies (note 10)		
Net assets:		
Unrestricted:		
Board designated for programs (focus issues)	2,701,399	2,951,829
Board designated for building fund	2,045,709	—
Board designated for clay mine reserve	336,890	227,220
Net investment in land, building and improvements and equipment	2,222,335	515,737
Undesignated	3,777,406	3,298,716
	11,083,739	6,993,502
Temporarily restricted (note 3)	615,492	917,135
Permanently restricted (note 3)	115,422	112,060
Total net assets	11,814,653	8,022,697
Total liabilities and net assets	<u>\$ 21,302,676</u>	<u>17,475,225</u>

See accompanying notes to financial statements.

UNITED WAY OF RHODE ISLAND, INC.

Statement of Activities

Year ended June 30, 2008

(with summarized financial information for 2007)

	Unrestricted	Temporarily restricted	Permanently restricted	Total	
				2008	2007
Revenues and other support:					
Campaign pledges	\$ 16,054,236	32,487	—	16,086,723	17,142,056
Recovery of prior year campaign pledges	122,648	—	—	122,648	137,241
Philanthropy Fund	559,149	—	—	559,149	496,207
Less:					
Change in allowance for uncollectible pledges	(695,142)	—	—	(695,142)	(511,102)
Amounts designated by donors (note 6)	(8,445,526)	—	—	(8,445,526)	(8,933,389)
Campaign pledges, net	<u>7,595,365</u>	<u>32,487</u>	<u>—</u>	<u>7,627,852</u>	<u>8,331,013</u>
Rhode Island Foundation:					
Income from designated fund	3,112,060	—	—	3,112,060	2,870,262
Royalty income (note 9)	609,668	—	—	609,668	727,220
Net gain on sale of property (note 10)	3,824,662	—	—	3,824,662	—
Interest income	456,380	—	3,362	459,742	501,554
UWRI fund (held in trust)	196,047	—	—	196,047	217,501
Other income	243,686	54,230	—	297,916	58,391
Special program income (note 7)	85,434	575,859	—	661,293	411,308
Rental income (note 8)	62,057	—	—	62,057	129,107
Net unrealized investment (losses) gains	(23,937)	—	—	(23,937)	18,956
Total other revenue	<u>8,566,057</u>	<u>630,089</u>	<u>3,362</u>	<u>9,199,508</u>	<u>4,934,299</u>
Net assets released from restrictions (note 3):					
Satisfaction of purpose restrictions	964,219	(964,219)	—	—	—
Total revenues and other support	<u>17,125,641</u>	<u>(301,643)</u>	<u>3,362</u>	<u>16,827,360</u>	<u>13,265,312</u>
Expenses:					
Programs:					
Impact Group Grants	5,313,407	—	—	5,313,407	5,148,170
Emerging Issue Fund Grants	500,000	—	—	500,000	500,000
Issue fund grants/special initiatives	991,719	—	—	991,719	949,489
Allocated by the United Way (note 6)	<u>6,805,126</u>	<u>—</u>	<u>—</u>	<u>6,805,126</u>	<u>6,597,659</u>
Contributions made to affiliated organizations	159,038	—	—	159,038	168,545
Program service expenses	1,998,668	—	—	1,998,668	1,716,120
Total programs	<u>8,962,832</u>	<u>—</u>	<u>—</u>	<u>8,962,832</u>	<u>8,482,324</u>
Fundraising and public relations	2,700,463	—	—	2,700,463	2,295,211
Management and general	1,372,109	—	—	1,372,109	1,283,300
Total operating expenses	<u>13,035,404</u>	<u>—</u>	<u>—</u>	<u>13,035,404</u>	<u>12,060,835</u>
Change in net assets	4,090,237	(301,643)	3,362	3,791,956	1,204,477
Net assets as of beginning of year	6,993,502	917,135	112,060	8,022,697	6,818,220
Net assets as of end of year	<u>\$ 11,083,739</u>	<u>615,492</u>	<u>115,422</u>	<u>11,814,653</u>	<u>8,022,697</u>

See accompanying notes to financial statements.

**UNITED WAY OF RHODE ISLAND, INC.**

Statement of Cash Flows

Year ended June 30, 2008

(with summarized financial information for 2007)

	2008	2007
Cash flows from operating activities:		
Change in net assets	\$ 3,791,956	1,204,477
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation and amortization	94,097	126,386
Net gain on sale of property	(3,824,662)	—
Net unrealized investment losses (gains)	23,937	(18,956)
Change in pledges and other receivables, net	723,694	(66,454)
Increase in prepaid expenses and other assets	(12,557)	3,460
Change in undistributed agency allocations, accounts payable and accrued expenses, and accrued pension liability	(996,004)	(2,254,826)
Net cash used in operating activities	(199,539)	(1,005,913)
Cash flows from investing activities:		
Purchases of investments	(22,007,068)	(12,976,487)
Sales of investments	20,432,809	14,201,810
Additions to property	(2,086,132)	(53,885)
Net proceeds from sale of property	4,260,974	—
Net cash provided by investing activities	600,583	1,171,438
Change in cash	401,044	165,525
Cash at beginning of year	1,101,708	936,183
Cash at end of year	\$ 1,502,752	1,101,708
Non-cash investing and financing activities:		
Increase in accounts payable and accrued expenses related to property and equipment additions	\$ 146,370	—
Capital lease asset and related obligation	885,544	—
Interest paid	16,099	—

See accompanying notes to financial statements.

**UNITED WAY OF RHODE ISLAND, INC.**

Statement of Functional Expenses

Year ended June 30, 2008

(with summarized financial information for 2007)

	Fund raising and public relations	Management and general	Program services	Total	
				2008	2007
Salaries	\$ 1,140,027	737,716	870,261	2,748,004	2,632,990
Employee benefits	184,037	156,814	124,424	465,275	493,255
Pension - Defined Plan Termination	302,581	231,093	244,417	778,091	—
Payroll taxes	80,269	50,946	70,815	202,030	198,833
Professional fees/contract services	53,091	168,254	168,660	390,005	334,070
Supplies	142,332	20,044	11,269	173,645	148,686
Telephone	22,294	13,339	13,503	49,136	49,119
Postage and shipping	29,109	10,703	2,542	42,354	35,092
Local transportation	9,848	611	4,163	14,622	19,618
Staff training and conferences	2,271	39,947	44,430	86,648	40,325
Special events	32,654	45,367	13,654	91,675	67,729
Subscriptions and publications	2,685	12,936	1,765	17,386	12,757
Equipment – repairs and rental (note 10)	22,984	33,252	10,782	67,018	58,630
Advertising	97,074	—	—	97,074	89,089
Recruitment	—	4,977	4,000	8,977	2,681
Occupancy	123,875	92,901	98,200	314,976	293,996
Miscellaneous	1,994	21,043	1,113	24,150	23,029
Building relocation expenses	146,410	111,784	118,183	376,377	175,834
Accrual for asset retirement (note 5)	—	—	—	—	432,365
Organizational development	12,851	8,853	7,996	29,700	60,147
Subtotal before depreciation and amortization	<u>2,406,386</u>	<u>1,760,580</u>	<u>1,810,177</u>	<u>5,977,143</u>	<u>5,168,245</u>
Depreciation and amortization	39,037	25,261	29,799	94,097	126,386
Allocation of support services **	<u>255,040</u>	<u>(413,732)</u>	<u>158,692</u>	<u>—</u>	<u>—</u>
Total expenses	<u>\$ 2,700,463</u>	<u>1,372,109</u>	<u>1,998,668</u>	<u>6,071,240</u>	<u>5,294,631</u>

\*\* Allocation of Human Resources and Information Technology support services.

See accompanying notes to financial statements.

## UNITED WAY OF RHODE ISLAND, INC.

Notes to Financial Statements

June 30, 2008

(with summarized financial information for 2007)

### (1) Background

The United Way of Rhode Island, Inc. (the United Way) is a nonprofit organization dedicated to mobilizing “the caring power of the community to improve the lives of people in need.” The United Way works with its community and funding partners to identify the issues that matter most and respond to them by focusing resources on effective solutions.

Proceeds from the United Way Community Impact Fund are employed to reduce homelessness and increase the availability of affordable homes for working people; provide job skills and employment opportunities to low-skilled Rhode Islanders so they can earn a decent wage and better care for their families; support children’s success in schools and connect people to the services they need through *United Way 2-1-1 in RI*. United Way collaborates with representatives from the business, government, labor, education and nonprofit sectors to identify the best solutions for our most challenging social issues and ensure that every investment and community initiative are monitored for ongoing effectiveness.

Contributions are obtained from local businesses, individuals, and charitable foundations. These funds are distributed to agencies and services as designated by donors or as allocated by the United Way.

### (2) Summary of Significant Accounting Policies

#### (a) *Basis of Financial Statement Presentation*

The accompanying financial statements are presented on the accrual basis of accounting and have been prepared to focus on the United Way as a whole and to present balances and transactions according to the existence or absence of donor-imposed restrictions. Accordingly, net assets and changes therein are classified as follows:

**Permanently restricted net assets** – Net assets subject to donor-imposed stipulations that they be maintained permanently by the United Way. Generally, the donors of these assets permit the United Way to use all or part of the income earned and gains, if any, on related investments for general or specific purposes.

**Temporarily restricted net assets** – Net assets subject to donor-imposed stipulations that may or will be met by actions of the United Way and/or the passage of time.

**Unrestricted net assets** – Net assets not subject to donor-imposed stipulations that the United Way may use at its discretion.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets. Gains and losses on investments and other assets or liabilities, if any, are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or state law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are released to unrestricted net assets.

## UNITED WAY OF RHODE ISLAND, INC.

### Notes to Financial Statements

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(with summarized financial information for 2007)

Contributions including unconditional promises to give, are recognized as revenues in the period received. Donor-restricted pledges whose restrictions are met in the same reporting period have been reported as unrestricted revenue in the statement of activities. To the extent the United Way has committed to others to spend funds received or pledged, the corresponding contribution revenue is classified as unrestricted. Other promises to give that are scheduled to be received after the statement of financial position date are shown as increases in temporarily restricted net assets and are released to unrestricted net assets when the purpose or time restriction is met.

Contributions payable, consisting of undistributed agency allocations, are recognized as expenses and liabilities in the period of board authorization and commitment to the recipient organizations. Contributions of services are recognized if the services received create or enhance nonfinancial assets, or require specialized skills and are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Contributed services are recorded at their estimated fair values at date of receipt. There were no contributed services received meeting the aforementioned criteria for the years ended June 30, 2008 and 2007.

The United Way is incorporated under the laws of the State of Rhode Island, and is, therefore, subject to the provisions of the Uniform Management of Institutional Funds Act (the Act), as amended. Under the Act, income and gains related to the investment of a permanently restricted contribution may legally be appropriated for expenditure by the United Way to a specified limit, with a fixed amount remaining with the permanently restricted contribution in order to account for any changes in the purchasing power of the historic dollar value of the contribution, thus preserving its purchasing power. Only the original amount of permanently restricted contributions, plus an allocation of income and gains based upon the consumer price index, has been included in permanently restricted net assets. All other investment income is recorded as an increase in unrestricted net assets.

**(b) Investments**

Investments include certificates of deposit and other short-term investments with maturities at the date of purchase of generally one year or less and are carried at cost, which approximates fair value.

**(c) Allowance for Uncollectible Pledges**

The allowance for uncollectible pledges is determined based on historical campaign pledge loss experience and estimates of future pledge exposures. The uncollectible factor is based on an analysis of the overall campaign, including corporate gifts, individual gifts, and employee workplace campaigns. The 2008 allowance for uncollectible pledges balance has been provided against the outstanding pledges for the 2007 – 2008 campaign.

**(d) Property and Equipment**

Property and equipment are stated at cost at the date of acquisition or, in the case of gifts, fair value at the date of contribution. Depreciation is computed on the straight-line basis over the

**UNITED WAY OF RHODE ISLAND, INC.**

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estimated useful lives of the respective assets. Amortization of leasehold improvements is computed over the lesser of the assets' useful lives or related lease term. The costs of normal repairs and maintenance are expensed as incurred.

**(e) *Income Tax Status***

The United Way is an organization described in Section 501(c)(3) of the Internal Revenue Code (the Code) and is generally exempt from federal and state income taxes pursuant to Section 501(a) of the Code.

**(f) *Allocations***

The United Way reports expenses by their functional classification in the statements of activities and functional expenses. Accordingly, depreciation, retirement and workers' compensation insurance expenses have been allocated to functional classifications based upon a percentage of total salaries. In addition to these allocations, the United Way has functionally allocated a portion of executive compensation, occupancy, and organizational development using the full-time equivalent (FTE) method. Information technology and human resources support services that provide support to the entire organization have been allocated to functional classifications using the FTE method.

**(g) *Use of Estimates***

The preparation of financial statements in conformity with U.S. generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as of 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.

**(h) *Change in Accounting Principle***

In September 2006, the Financial Accounting Standards Board (FASB) issued Statement No. 158, *Employer's Accounting for Defined Benefit Pension and Other Postretirement Plans an amendment of FASB Statements No. 87, 88, 106, and 132(R)* (FAS 158). Under FAS 158, the United Way was required, effective June 30, 2007, to recognize the funded status of its defined benefit pension plan, measured as the difference between the fair value of the plan assets and the projected benefit obligation, in its statement of financial position. Because the plan (as described further in note 4) was terminated in 2006, there was no effect of adopting FAS 158 as of June 30, 2007.

**(i) *Prior Year Financial Information***

While comparative information is not required under GAAP, the United Way believes that this information is useful and has included certain summarized information from the 2007 financial statements. This summarized information is not intended to be a full presentation in conformity with GAAP, which would require certain additional information. Accordingly, such information should be read in conjunction with the United Way's financial statements for the year ended

**UNITED WAY OF RHODE ISLAND, INC.**

Notes to Financial Statements

June 30, 2008

(with summarized financial information for 2007)

June 30, 2007. In addition, certain 2007 summarized financial information has been reclassified to conform to the 2008 presentation.

**(3) Restricted Net Assets**

Net assets consisted of the following as of June 30:

	<u>2008</u>	<u>2007</u>
Temporarily restricted net assets:		
Program restrictions	\$ <u>615,492</u>	<u>917,135</u>
Permanently restricted net assets:		
Endowments	\$ <u>115,422</u>	<u>112,060</u>

**(4) Employee Benefits**

*(a) Pension Plan*

The United Way had a noncontributory defined benefit pension plan (the Plan) which was frozen and terminated effective June 30, 2006. In February 2008, the Plan received a favorable determination letter from the IRS allowing participants to receive a final distribution of their accrued benefits under the Plan. Effective June 3, 2008, all of the Plan's assets were distributed to participants based on their elections. Following is a summary of the plan distributions based on the final benefit obligation computation:

<u>Payment type</u>	<u>Participants</u>	<u>Amount</u>
Direct payments	19	\$ 2,698,819
Annuity purchases	6	634,700
Rollover to 403(b) Plan	49	193,992
Payment to PBGC	4	5,258
Total	<u>78</u>	\$ <u>3,532,769</u>

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Notes to Financial Statements

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The increase in the final benefit obligation of \$3,532,769 over the June 30, 2007 projected benefit obligation of \$2,880,414 was primarily attributable to a decrease in the discount rate from 5.25% to 4.50% and the compounding of benefit accruals since the June 30, 2007 valuation. Accordingly, additional employer contributions to the Plan of \$778,091 were made during the year ended June 30, 2008.

Total pension costs of \$843,963 for the year ended June 30, 2008 (\$117,662 in 2007) are included in employee benefits in the accompanying statement of functional expenses.

**(b) Contributory 403(b) Plan**

The United Way sponsors a contributory 403(b) plan for qualifying employees funded by employer and employee contributions. Expenses related to employer contributions for the year ended June 30, 2008 were \$65,872 (\$114,761 in 2007).

**(5) Property and Equipment**

The following is a summary of the United Way's property and equipment as of June 30:

	2008	2007	Useful Life
Land	\$ 25,000	140,000	—
Building and improvements	—	2,432,660	5 to 40 years
Leasehold improvements	2,139,456	—	3 to 15 years
Equipment	231,059	1,339,608	3 years
	2,395,515	3,912,268	
Less accumulated depreciation	(173,180)	(3,396,531)	
	\$ 2,222,335	515,737	

Depreciation and amortization expense for the year ended June 30, 2008 was \$94,097 (\$126,386 in 2007).

On December 14, 2007, the United Way signed a purchase and sales agreement with an unrelated third party to sell its real estate property (land, building and improvements) located at 229 Waterman Street for a net purchase price of \$4,375,000. The United Way leased back the property through June 2008, prior to moving to its new headquarters as discussed in note 10, and incurred \$196,654 of rental and related expenses for the year ended June 30, 2008. A net gain of \$3,824,662 was realized on the sale of the property.

In fiscal year 2007, during the performance of due diligence, it was determined that the property contained asbestos in the walls and floors that would require \$432,365 to remediate. United Way accrued this liability in its 2007 statement of financial position and recognized a corresponding expense in the 2007 statement of functional expenses. This liability was extinguished through subsequent remediation by the United Way and assumption of the remaining obligation by the buyer in the sale of the property.

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Notes to Financial Statements

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(with summarized financial information for 2007)

**(6) Agency Support and Donor Designations**

Donor-designated funds are funds designated by donors to specific agencies either directly or through the Philanthropy Fund. These amounts are paid to specific agencies as directed by donors.

Amounts undesignated by donors, designated to the United Way Community Impact Fund, Critical Issue Funds and special initiatives are allocated by the United Way to specific agencies.

Total designated and allocated funds for the years ended June 30 are as follows:

	<u>2008</u>	<u>2007</u>
Designated by donors	\$ 8,445,526	8,933,389
Allocated by the United Way (Agency Support, Issue fund grants, and Community Impact group funds)	<u>6,805,126</u>	<u>6,597,659</u>
	<u>\$ 15,250,652</u>	<u>15,531,048</u>

**(7) Special Program Income**

Special Program income includes expenses reimbursed for the State Employees Charitable Appeal totaling \$85,434, Rhode Island After School Plus Alliance program totaling \$440,882 and United Way 2-1-1 in RI program totaling \$134,977. This amounted to \$661,293 in 2008 and \$411,308 in 2007.

**(8) Lessor Arrangements**

The United Way leased out certain office space through December 31, 2007 on a month-to-month basis at its former building at 229 Waterman Street. Rental income recognized for the year ended June 30, 2008 was \$62,057 (\$129,107 in 2007).

**(9) Royalties**

The Rhode Island Foundation (the Foundation) has ownership rights to several properties in Georgia from which a clay called kaolin is mined. The Foundation owns several properties and leases the mineral rights to other properties. On the leased properties, annual lease payments are made to the individual landowners. The clay is mined by a company called Englehard. Englehard pays royalty income to the Foundation based on the amount of clay mined and the selling price of the finished product after deducting certain expenses as allowed by the contract. Lease payments to landowners are among the expenses that are deducted from royalties earned. At its discretion, the Foundation contributes the net royalties received to the United Way. Contributions received by the United Way from these royalties totaled \$609,668 for the year ended June 30, 2008 (\$727,220 for 2007).

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**(10) Lease Commitments**

**(a) *Lease and Purchase Option Agreement – 50 Valley Street***

The United Way signed a lease on November 8, 2007 for office space (21,842 square feet) covering the entire commercial portion of the Calendar Mills Building located at 50 Valley Street, Providence, Rhode Island. The lease has an initial 10-year term followed by two 5-year renewal options. For accounting purposes, the lease term is considered 15 years because exercise of the first renewal option is deemed reasonably assured.

At the inception of the lease in November 2007, the fair value of the property was comprised primarily of land with an estimated fair value of \$875,000. From inception of the lease through June 2008 (at which point the United Way took possession of the space), \$2,139,456 of tenant improvements funded directly by the United Way were capitalized. The fair value of the leased property was estimated at \$3,900,000 based on an independent appraisal performed upon the building's completion in June 2008. The United Way established an initial capital lease asset and corresponding obligation of \$885,544, which represented the fair value of the property net of (1) land, which is required to be accounted for separately as an operating lease, and (2) the aforementioned tenant improvements, which will be separately amortized over the lesser of their useful lives or the lease term. The land operating lease will be accounted for on a straight-line basis over 15 years, with annual rental expense of \$59,751.

Pursuant to the lease agreement, the United Way also has the ability to exercise, at its discretion, an option to purchase the building for \$4,250,000 in 2014.

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(with summarized financial information for 2007)

Following is a schedule by years of future minimum lease payments over the next 15 years (assumes 10 year initial lease period and 5 year renewal term) under the building capital lease and land operating lease together with the present value of the net minimum capital lease payments as of June 30, 2008:

	<u>Building Capital Lease</u>	<u>Land Operating Lease</u>
Year ending June 30:		
2009	\$ 290,419	52,500
2010	290,419	52,500
2011	290,419	52,500
2012	309,498	55,263
2013	309,498	55,263
Years thereafter (2014–2023)	<u>3,615,770</u>	<u>628,240</u>
Total minimum lease payments	5,106,023	<u><u>896,266</u></u>
Less: Amount representing estimated executory costs and and profit thereon included in total minimum lease payments	<u>(1,773,703)</u>	
Net minimum lease payments	3,332,320	
Less: Amount representing interest	<u>(2,447,191)</u>	
Present value of net minimum lease payments	\$ <u><u>885,129</u></u>	

**(b) Other Lease Commitments**

The United Way also has leased certain office equipment on an operating lease basis. As of June 30, 2008, minimum rental commitments under this lease were as follows:

	<u>Amount due</u>
Fiscal year:	
2009	\$ 36,090
2010	36,090
2011	28,074
2012	<u>24,066</u>
	\$ <u><u>124,320</u></u>

Expense under the above lease amounted to \$53,176 for the year ended June 30, 2008 (\$50,974 in 2007).