

CHARITIES REVIEW COUNCIL OF MINNESOTA

**FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT**

For The Years Ended
December 31, 2009 and 2008

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CHARITIES REVIEW COUNCIL OF MINNESOTA
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Tautges Redpath, Ltd.

Certified Public Accountants and Consultants

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Charities Review Council of Minnesota
Saint Paul, Minnesota

We have audited the accompanying statements of financial position of Charities Review Council of Minnesota (a not-for-profit corporation) as of December 31, 2009 and 2008, and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Charities Review Council of Minnesota's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide 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 Charities Review Council of Minnesota as of December 31, 2009 and 2008, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

HLB Tautges Redpath, Ltd.

HLB TAUTGES REDPATH, LTD.
White Bear Lake, Minnesota

June 2, 2010

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FINANCIAL STATEMENTS

CHARITIES REVIEW COUNCIL OF MINNESOTA
STATEMENTS OF FINANCIAL POSITION
December 31, 2009 and 2008

Statement 1

	<u>2009</u>	<u>2008</u>
Assets:		
Current assets:		
Cash	\$360,766	\$295,125
Accounts receivable	1,500	50
Promises to give receivable	69,871	108,210
Prepaid expenses	7,932	12,761
Total current assets	<u>440,069</u>	<u>416,146</u>
Fixed assets:		
Office equipment	35,943	56,176
Website development	101,100	86,100
Less accumulated depreciation	<u>(110,061)</u>	<u>(114,270)</u>
Net fixed assets	<u>26,982</u>	<u>28,006</u>
Other assets:		
Promises to give receivable, long-term	<u>-</u>	<u>2,045</u>
Total assets	<u>\$467,051</u>	<u>\$446,197</u>
Liabilities and net assets:		
Current liabilities:		
Accounts payable	\$954	\$1,482
Accrued expenses	10,991	7,458
Deferred rent liability	-	407
Current portion of note/capital lease payable	<u>2,937</u>	<u>2,712</u>
Total current liabilities	<u>14,882</u>	<u>12,059</u>
Long-term liabilities:		
Note/capital lease payable, net of current portion	<u>2,632</u>	<u>5,569</u>
Total liabilities	<u>17,514</u>	<u>17,628</u>
Net assets:		
Unrestricted	245,506	140,919
Temporarily restricted	<u>204,031</u>	<u>287,650</u>
Total net assets	<u>449,537</u>	<u>428,569</u>
Total liabilities and net assets	<u>\$467,051</u>	<u>\$446,197</u>

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

CHARITIES REVIEW COUNCIL OF MINNESOTA

STATEMENTS OF ACTIVITIES

Statement 2

For The Years Ended December 31, 2009 and 2008

	2009			2008		
	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
Public support and revenue:						
Public support:						
United Way donations	\$82,390	\$ -	\$82,390	\$85,464	\$ -	\$85,464
Individuals	61,826	1,310	63,136	70,128	2,850	72,978
Corporations and foundations	247,789	65,500	313,289	190,521	240,000	430,521
Contributed supplies	50	5,291	5,341	530	-	530
Contributed services	32,050	-	32,050	25,632	-	25,632
Fee for service	88,179	-	88,179	21,689	-	21,689
Annual meeting	12,250	-	12,250	13,199	-	13,199
Other revenue	34	-	34	720	-	720
Interest and dividend income	1,406	-	1,406	1,020	-	1,020
Gain on disposal of fixed assets	1,523	-	1,523	-	-	-
Net public support and revenue	<u>527,497</u>	<u>72,101</u>	<u>599,598</u>	<u>408,903</u>	<u>242,850</u>	<u>651,753</u>
Net assets released from restriction	<u>155,720</u>	<u>(155,720)</u>	<u>-</u>	<u>120,610</u>	<u>(120,610)</u>	<u>-</u>
Total public support and revenue	<u>683,217</u>	<u>(83,619)</u>	<u>599,598</u>	<u>529,513</u>	<u>122,240</u>	<u>651,753</u>
Expenses:						
Program services	429,438	-	429,438	420,780	-	420,780
Management and general	102,810	-	102,810	95,334	-	95,334
Fundraising	46,382	-	46,382	59,873	-	59,873
Total expenses	<u>578,630</u>	<u>0</u>	<u>578,630</u>	<u>575,987</u>	<u>0</u>	<u>575,987</u>
Change in net assets	104,587	(83,619)	20,968	(46,474)	122,240	75,766
Net assets - beginning of year	<u>140,919</u>	<u>287,650</u>	<u>428,569</u>	<u>187,393</u>	<u>165,410</u>	<u>352,803</u>
Net assets - end of year	<u>\$245,506</u>	<u>\$204,031</u>	<u>\$449,537</u>	<u>\$140,919</u>	<u>\$287,650</u>	<u>\$428,569</u>

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

CHARITIES REVIEW COUNCIL OF MINNESOTA
STATEMENTS OF FUNCTIONAL EXPENSES
For The Years Ended December 31, 2009 and 2008

	2009						
	Program Services			Supporting Services			
	Research / Review	Donor Information/ Education Services	Nonprofit Services	Total Program Services	Management and General	Fundraising	Total
Expenses:							
Salaries	\$36,499	\$99,812	\$82,707	\$219,018	\$56,630	\$25,358	\$301,006
Payroll taxes	2,883	7,662	6,214	16,759	4,262	1,826	22,847
Retirement plan contribution	1,787	7,066	5,037	13,890	3,148	1,546	18,584
Employee benefits	3,398	6,480	8,821	18,699	7,594	2,852	29,145
Staff development	-	-	-	-	2,175	-	2,175
Professional fees	313	24,276	40,642	65,231	12,509	258	77,998
Supplies	826	2,575	2,199	5,600	1,082	572	7,254
Telephone	410	1,049	881	2,340	559	286	3,185
Postage	143	5,246	731	6,120	329	4,748	11,197
Occupancy	4,794	12,228	10,266	27,288	6,539	3,348	37,175
Printing and publications	317	8,755	2,524	11,596	674	3,969	16,239
Transportation	1	1,217	2,187	3,405	320	220	3,945
Conferences and meetings	74	5,645	8,419	14,138	1,384	505	16,027
Membership dues and subscriptions	-	1,566	2,288	3,854	755	-	4,609
Insurance	410	1,005	895	2,310	551	301	3,162
Equipment lease and maintenance	198	552	456	1,206	258	133	1,597
Public awareness	223	4,642	-	4,865	-	-	4,865
Miscellaneous	-	-	-	-	2,277	11	2,288
Interest	73	185	157	415	98	51	564
Total expense before depreciation	52,349	189,961	174,424	416,734	101,144	45,984	563,862
Depreciation	539	6,136	6,029	12,704	1,666	398	14,768
Total expenses	\$52,888	\$196,097	\$180,453	\$429,438	\$102,810	\$46,382	\$578,630

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

CHARITIES REVIEW COUNCIL OF MINNESOTA
STATEMENTS OF FUNCTIONAL EXPENSES
For The Years Ended December 31, 2009 and 2008

	2008						
	Program Services			Supporting Services			
	Research / Review	Donor Information/ Education Services	Nonprofit Services	Total Program Services	Management and General	Fundraising	Total
Expenses:							
Salaries	\$37,157	\$93,160	\$85,109	\$215,426	\$51,938	\$31,044	\$298,408
Payroll taxes	2,908	6,963	6,297	16,168	3,742	2,109	22,019
Retirement plan contribution	2,124	6,101	5,895	14,120	3,361	1,859	19,340
Employee benefits	569	7,438	8,985	16,992	7,190	4,100	28,282
Staff development	-	18	112	130	555	-	685
Professional fees	2,834	21,850	19,677	44,361	15,418	3,022	62,801
Supplies	367	1,311	1,398	3,076	747	427	4,250
Telephone	364	1,084	918	2,366	567	343	3,276
Postage	218	6,290	1,364	7,872	533	5,898	14,303
Occupancy	3,880	11,633	9,891	25,404	6,056	3,672	35,132
Printing and publications	549	12,008	2,305	14,862	1,569	5,468	21,899
Transportation	3	262	2,931	3,196	70	162	3,428
Conferences and meetings	-	6,262	8,830	15,092	1,062	184	16,338
Membership dues and subscriptions	6	1,232	2,199	3,437	34	498	3,969
Insurance	340	1,024	868	2,232	529	322	3,083
Equipment lease and maintenance	21	64	57	142	34	20	196
Public awareness	-	4,513	-	4,513	-	-	4,513
Miscellaneous	-	-	-	-	1,010	8	1,018
Interest	86	256	217	559	133	81	773
Total expense before depreciation	51,426	181,469	157,053	389,948	94,548	59,217	543,713
Depreciation	647	14,983	15,202	30,832	786	656	32,274
Total expenses	<u>\$52,073</u>	<u>\$196,452</u>	<u>\$172,255</u>	<u>\$420,780</u>	<u>\$95,334</u>	<u>\$59,873</u>	<u>\$575,987</u>

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

CHARITIES REVIEW COUNCIL OF MINNESOTA

STATEMENTS OF CASH FLOWS

For The Years Ended December 31, 2009 and 2008

Statement 4

	<u>2009</u>	<u>2008</u>
Cash flows from operating activities:		
Change in net assets	\$20,968	\$75,766
Adjustments to reconcile change in net assets to net cash provided (used) by operating activities:		
Noncash contributions	(37,391)	(26,162)
Noncash expenses	32,100	26,162
(Gain) loss on disposal of fixed assets	(1,523)	-
Depreciation	14,768	32,274
Changes in assets and liabilities, net:		
Promises to give receivable	40,384	(2,815)
Accounts receivable	(1,450)	(50)
Prepaid expenses	4,829	(299)
Accounts payable	(528)	(9,404)
Accrued expenses	3,533	(36)
Deferred rent	(407)	(1,513)
Net cash provided (used) by operating activities	<u>75,283</u>	<u>93,923</u>
Cash flows from investing activities:		
Payments for purchase of fixed assets	(15,808)	(2,125)
Proceeds from disposal of assets	8,878	-
Net cash provided (used) by investing activities	<u>(6,930)</u>	<u>(2,125)</u>
Cash flows from financing activities:		
Principal payments on note/capital lease	(2,712)	(2,503)
Net increase in cash and cash equivalents	65,641	89,295
Cash and cash equivalents at beginning of year	<u>295,125</u>	<u>205,830</u>
Cash and cash equivalents at end of year	<u><u>\$360,766</u></u>	<u><u>\$295,125</u></u>
Supplemental information:		
Noncash investing and financing transactions:		
Donated investments	<u>\$0</u>	<u>\$880</u>
Donated fixed assets	<u>\$5,291</u>	<u>\$0</u>
Cash paid for interest	<u>\$564</u>	<u>\$773</u>

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

CHARITIES REVIEW COUNCIL OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

Note 1 NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

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

The Council is dedicated to empowering donors in making informed and thoughtful giving decisions, so that they can be more effective in helping nonprofit organizations advance their important community work. The Council serves as an independent resource, providing tools and resources to the giving public to make informed giving choices through:

- Online searchable charity review results.
- Information on donating auto and goods, including a searchable database of reviewed charities that accept donations of non-cash items like clothing, appliances, automobile, and pick up or drop off availability.
- Charitable giving tips on how to give smart and safe.

The Council reviews nonprofit organizations through its Accountability Wizard. Results of these reviews help the public determine the trustworthiness of a nonprofit organization before giving. Review results are posted in the online and print Giving Guide.

The Council also offers learning opportunities to nonprofit organizations by providing tools and resources for organizations to meet and sustain accountability. Where standards weren't fully met, the Council provides technical assistance to help make structural, policy or procedural changes.

B. FINANCIAL STATEMENT PRESENTATION

The financial statements of the Council have been prepared on the accrual basis of accounting and are presented in accordance with U.S. Generally Accepted Accounting Principles (GAAP). GAAP requires the Council to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Assets accumulated and resources received and expended by the Council are either unrestricted as to use or purpose or restricted by the donor for a particular purpose. Permanently restricted net assets account for donations restricted for specific purposes whereby the restriction does not expire. Temporarily restricted net assets represent contributions to the Council whose use is limited by donor-imposed stipulations that either expire with the passage of time or can be fulfilled by expending the funds for their restricted purpose. The designation of net assets for specific purposes by the Council itself does not constitute a basis for classifying them as temporarily restricted. As of December 31, 2009, the Council had not received any permanently restricted gifts.

The Council has chosen to report contributions that are received with donor-imposed restrictions that are met in the same reporting period as temporarily restricted contributions with an accompanying reclassification showing the satisfaction of the restriction.

CHARITIES REVIEW COUNCIL OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

C. CASH AND CASH EQUIVALENTS

The Council considers unrestricted currency, demand deposits, money market accounts, and certificates of deposit with an initial maturity of three months or less to be cash and cash equivalents.

D. PROMISES TO GIVE

Contributions are recognized when the donor makes a promise to give that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in temporarily or permanently restricted net assets depending on the nature of the restrictions. When a restriction expires or is satisfied, temporarily restricted net assets are reclassified to unrestricted net assets.

Conditional promises to give are recognized as support only after all conditions established by the donor have been satisfied by the Council. The Council then accounts for the promise as unconditional.

The Council uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. As of December 31, 2009 and 2008, management determined that no allowance for uncollectible promises to give was required.

E. ACCOUNTS RECEIVABLE

Trade accounts receivable are stated at the amount management expects to collect from outstanding balances. Management provides for probable uncollectible amounts through a charge to earnings and a credit to a valuation allowance based on its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to trade accounts receivable. The allowance for doubtful accounts was \$0 at both December 31, 2009 and 2008. Bad debt expense was \$0 for both 2009 and 2008. The Council considers all trade receivables outstanding sixty days or more to be past due. The Council had \$0 in past due trade receivables at both December 31, 2009 and 2008.

F. FIXED ASSETS

Fixed assets purchased by the Council are stated at cost. Donated fixed assets are valued at fair market value at the date of the gift. Maintenance and repairs are charged to expense as incurred. The Council changed their capitalization threshold to \$1,000 in 2009 from \$500 in 2008. The Council has chosen to continue depreciating those assets affected by the capitalization threshold change. Depreciation is computed on the straight-line method over three to five years. Depreciation expense for the years ended December 31, 2009 and 2008 was \$14,768 and \$32,274, respectively.

The Council has chosen to report contributions of cash and other assets for the purchase of fixed assets as temporarily restricted net assets. As depreciation is recognized over the estimated useful life of the fixed assets, temporarily restricted net assets are reclassified to unrestricted net assets.

CHARITIES REVIEW COUNCIL OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

G. INVESTMENTS

Investments are presented at fair value in accordance with GAAP. The unrealized gain or loss on investments is reflected in the statement of activities. The Council did not hold any investments at December 31, 2009 or 2008.

H. DEFERRED RENT LIABILITY

A deferred rent liability is reflected on the statements of financial position for the year ended December 31, 2008 due to the office lease terms which call for two months rent-free and rental payment increases every year over the remainder of the lease. The liability is increased or decreased as needed to reflect occupancy expense on a straight-line basis over the term of the office lease. This deferred rent liability was exhausted in 2009.

I. DONATED MATERIALS AND SUPPLIES

Donated materials are reflected as in-kind contributions and a corresponding expense in the financial statements at their estimated market values at the date of receipt. Contributed services are reported as contributions if the services would typically need to be purchased by the Council and the service provided requires specialized skills. Contributed services are reflected in the financial statements at the fair value of the services performed at the date of the service. The Council also received donated services from unpaid volunteers which do not meet the definition for recognition in the financial statements. These volunteers donated approximately 2,695 and 2,469 hours of their time to the Council for the years ended December 31, 2009 and 2008, respectively.

J. ESTIMATES

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

K. FUNCTIONAL EXPENSES

The expenses included in the accompanying statements of functional expenses were allocated to, or specifically identified with, the various functions as follows:

Salaries and wages, employee benefits, payroll taxes, conferences and meetings, occupancy, telephone, equipment lease and maintenance, and depreciation – based on time studies performed which provides estimates where time was expended;

Other expenses – based on usage, except expenses directly related to specific functions.

CHARITIES REVIEW COUNCIL OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

L. FEES FOR SERVICE

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

M. INCOME TAX STATUS

The Council has been granted exemption from income taxes under Section 501(c)(3) of the Internal Revenue Code of 1986 and Section 290.05, subdivision 2, of Minnesota Statutes. The Council has been classified as an organization that is not a private foundation.

Effective January 1, 2009, the Council adopted the applicable provisions of FASB ASC 740-10 (formerly FIN 48) regarding accounting for uncertainty in tax positions. The implementation of this standard had no impact on the Council's financial statements.

Note 2 CONCENTRATIONS OF CREDIT RISK

The Council maintains its cash in bank deposit accounts, which at times, may exceed federally insured limits. As of December 31, 2009 and 2008, the maximum loss that would have resulted from that risk was \$0.

Note 3 PROMISES TO GIVE RECEIVABLE

Unconditional promises to give as of December 31, 2009 and 2008 are receivable as follows:

	<u>2009</u>	<u>2008</u>
Receivable in less than one year	\$69,871	\$108,210
Receivable in one to five years	-	<u>2,045</u>
	<u>\$69,871</u>	<u>\$110,255</u>

As of December 31, 2009 and 2008, the Council had conditional promises to give as a result of being named as a beneficiary in individuals' wills. Conditional promises to give are not recordable under GAAP and, in addition, the amount of the promises to give is undeterminable.

CHARITIES REVIEW COUNCIL OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

Note 4 NOTE/CAPITAL LEASE PAYABLE

The Council entered into a copier lease during the year ended December 31, 2006, under a capitalized lease obligation. Monthly payments of \$273 include interest at 8 percent. The lease term ends October 2011.

In August 2009, the Council entered into an operating lease for a different copier with a different lessor. The original copier was returned to the original lessor. The current lessor paid the Council the remaining amount of the original lease and the Council is continuing to pay the payments through the end of the original lease.

As of December 31, 2009 and 2008, the equipment identified above is included on the statements of financial position in property and equipment at its capitalized cost of \$0 and \$13,375, respectively. Depreciation of \$0 and \$2,675 has been recognized for the years ended December 31, 2009 and 2008. The accumulated depreciation on the assets as of December 31, 2009 and 2008 was \$0 and \$6,019, respectively.

Scheduled note payments as of December 31, 2009 is as follows:

	<u>Years Ending December 31,</u>
2010	\$3,276
2011	<u>2,730</u>
Total	6,006
Less interest portion	<u>(437)</u>
Total note payable	5,569
Less current portion	<u>(2,937)</u>
Long-term portion	<u><u>\$2,632</u></u>

Total interest expense on the note/capitalized lease for the years ended December 31, 2009 and 2008, was \$773 and \$773, respectively.

CHARITIES REVIEW COUNCIL OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

Note 5 **TEMPORARILY RESTRICTED NET ASSETS**

Temporarily restricted net assets consisted of the following as of December 31, 2009 and 2008:

	<u>2009</u>	<u>2008</u>
Not for profit technical assistance	\$7,500	\$ -
Accountability Wizard Promotion	35	7,734
Smart Givers Network, Phase II	-	4,583
Development of services to grantmakers	439	5,439
Cultural competency	40,540	95,304
Program expansion planning	43,538	10,000
Technology expansion	71,619	116,539
Standards project	24,598	26,211
Time restricted	<u>15,762</u>	<u>21,840</u>
 Total temporarily restricted net assets	 <u>\$204,031</u>	 <u>\$287,650</u>

Note 6 **CONCENTRATION OF PUBLIC SUPPORT**

A significant portion of the Council's unrestricted contributions are received from the United Way – Twin Cities. The loss of this contributor would have an adverse effect on the Council. During the years ended December 31, 2009 and 2008, the United Way – Twin Cities contributed \$77,820 and \$79,256, respectively, which accounted for approximately 15% and 19% of total unrestricted revenue. A significant portion of unrestricted contributions are also received from a small number of private sources. Additionally, in 2009 and 2008, a total of \$149,500 and \$70,000 of unrestricted contributions was received from six and three private sources, respectively.

CHARITIES REVIEW COUNCIL OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

Note 7 CONTRIBUTED SERVICES

Contributed services are reflected in the financial statements at the fair value of the services performed at the date of the service. Contributed services for the years ended December 31, 2009 and 2008 consisted of the following:

	<u>2009</u>	<u>2008</u>
Conference space	\$297	\$ -
Annual forum	-	6,000
Legal services	908	4,092
Public relations	27,620	15,540
Advertising	<u>3,225</u>	<u>-</u>
Total	<u><u>\$32,050</u></u>	<u><u>\$25,632</u></u>

Note 8 EMPLOYEE BENEFITS

The Council has a Section 125 employee benefit plan, which is also referred to as a “cafeteria” plan. Pursuant to the plan as amended, employees can elect to establish a health care spending account or a dependent care spending account funded by the employee on a pretax basis. Qualified employees are regular full-time employees of the Council as well as part-time permanent employees of the Council regularly scheduled to work at least 20 hours per week. New employees become eligible upon meeting the qualified employee requirements.

Note 9 RETIREMENT PLAN

The Council established a retirement plan pursuant to section 403(b) of the Internal Revenue Code effective January 1, 2006. All employees of the Council are immediately eligible to make elective salary deferrals under the Plan. Employees are eligible to share in the Council’s contribution to the Plan upon meeting the age and service requirements set forth in the Plan. The Council has made discretionary contributions of 5 percent of eligible employee’s compensation to the Plan and a discretionary matching contribution on a dollar-for-dollar basis up to an additional 2 percent of compensation. Employees are 100 percent vested upon participation in the Plan. Retirement expense was \$18,584 and \$19,340 for the years ended December 31, 2009 and 2008, respectively.

CHARITIES REVIEW COUNCIL OF MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2009 and 2008

Note 10 OPERATING LEASE

In February 2004, the Council entered into a sixty-two month lease for their administrative offices. The lease required monthly payments ranging from \$1,755 to \$1,908, with the first two months of the lease being rent free. The Council entered into an amendment to the lease due to expanding their leased space effective August 1, 2006. The lease term was extended until July 2011 and the new required monthly payments range from \$2,973 to \$3,136. The Council's portion of the building's operating expenses is included in the monthly rental payments. The Council's total occupancy expense for the years ended December 31, 2009 and 2008 was \$37,175 and \$35,132, respectively.

In September 2009, the Council entered into a sixty-month lease for a copier. The lease required monthly payments of \$330.

Minimum future rental payments under noncancelable operating leases having initial terms in excess of one year as of December 31, 2009, are as follows:

<u>Year Ending</u> <u>December 31,</u>	<u>Amount</u>
2010	\$41,312
2011	25,916
2012	3,963
2013	3,963
2014	<u>2,642</u>
Total	<u><u>\$77,796</u></u>

Note 11 ALLOCATION OF JOINT COSTS

For the year ended December 31, 2009, the Council incurred joint costs of \$11,205 for informational materials and activities that included fundraising appeals. Of those costs, \$140 was allocated to management and general expenses, \$280 was allocated to fundraising expense and \$10,785 was allocated to program expense.

For the year ended December 31, 2008, the Council incurred joint costs of \$15,843 for informational materials and activities that included fundraising appeals. Of those costs, \$1,071 was allocated to management and general expenses, \$1,005 was allocated to fundraising expense and \$13,767 was allocated to program expense.