



**Annual Report
Fiscal Year 2008**

A Note from Fran

Dear Friend,

These last six months have been quite humbling. I've been around a while, and to tell you the truth I thought I had seen it all. Even last summer, as the downturn was being "forecast," I remember thinking, "great -- another round of budget cuts." But this situation takes budget cuts to a new level. It's not just organizational budgets that are cut, it is your very own home budget; it's not just clients who are adversely affected here, it is staff, and, in many cases, boards. In some ways, this downturn has leveled the playing field – or least made it equally muddy for all teams – and, as a result, everyone is trying to find their footing.



It would be presumptuous to speak of big answers. As a group, we have embraced the notion that "chance favors the prepared mind." By that we mean that our clients who have a contingency budget, who have done a serious and thoughtful review of their staff, who have a productive relationship with their board and funders – those clients are likely to do better. We are able to work on this agenda (and more) with direct service organizations in poor communities thanks to investments from several of our long-time supporters. We have set up a hotline for executive directors so we can respond in real time as problems come up, and created workshops to train directors in skills especially needed in times such as these: contingency planning, human resource planning, and assessing which programs are core to organizations.

All of our "hard times" work really kicked in at the very end of this official fiscal year. (You will read more in the report about our many other programs and our continued focus on our primary area of consulting.) Now that we are reporting to you, it is encouraging to recall that it wasn't always like this, and it will be better at some point.

This year we worked directly with over 300 nonprofit organizations and over 500 nonprofit leaders. We then complemented our direct consulting work with an extensive series of workshops offered to nonprofit staff people, many of whom came from the organizations where we were engaged in a consulting relationship.

In some ways, as we work with our clients, it seems like the 2009 nonprofit Olympics. We see everyone working hard, taking things hurdle by hurdle, simply trying to stay in the game. And as for us, we see that those who have the time to practice, and a good coach, with a strong team, are, in fact, hanging in.

Sincerely,

A handwritten signature in blue ink that reads "Fran Barrett". The signature is fluid and cursive.

Fran Barrett
Executive Director

Key CRE Accomplishments Fiscal Year 2008

Core Offerings

In Fiscal Year 2008, CRE continued its extensive work helping client nonprofits develop the strategies, processes and tools to run at optimal levels of performance and to ensure their future viability. Over 300 community groups engaged in one-to-one consulting and over 500 nonprofit leaders participated in an expanded array of training and group learning offerings.

Our one-to-one client work ranged from support for a comprehensive needs assessment by Legal Services for New York City called, "New Yorkers in Crisis," to a turnaround plan for a residential shelter for homeless men in Harlem. Three of the four finalists for the 2008 New York Times Company's Nonprofit Excellence Awards are CRE clients, and we believe that our customized consulting work was instrumental in helping them achieve this status.

"CRE is practical, on the ground... not just about charts and theory."

Felix Urrutia, Police Athletic League, NYC

"CRE takes the time to do some work ahead of time and to understand the organization before jumping into recommendations. A lot of consultants have one curriculum that they repeat and don't put into context."

Seema Agnani, Chhaya Community Development Corporation, NYC

Key Contracts and Grants

We had an increased volume of work supported by new contracts. CRE was awarded a contract with the **Department for Youth and Community Development (DYCD)** to provide consulting, workshops and peer networking and exchange to After School Programs throughout New York City. The contract award was CRE's first contract solely focused on After School programs and has helped CRE expand into this particular DYCD program field for the first time. We also engaged in a new project, the **Westchester Community Foundation's Capacity Building Initiative**, to build the organizational effectiveness of small community-based nonprofits serving young people in Yonkers and Mount Vernon.

CRE also received an exclusive **two-year contract from the Carnegie Corporation** to run the Carnegie Technical Assistance Program. Through this program, CRE offers capacity-building support to almost 250 human service agencies located throughout the five boroughs that are grantees of the Carnegie Corporation. Types of support include one-to-one consulting, workshops and group learning sessions in fundraising, human resources management, leadership development and managing change.

Key CRE Accomplishments Fiscal Year 2008

Leadership Caucus

CRE concluded its fifth Leadership Caucus, bringing the total number of leaders trained in this groundbreaking program to 24. Initiated in 2004, the Leadership Caucus was developed in response to client requests for high-quality, sector-relevant, and affordable leadership development programs for nonprofits. Participants are early career Executive Directors, with an average of 3 years in the Executive Director job.

Over a 9-month period, the participants work together as a group and in smaller “action learning teams” to discuss challenging leadership and management issues. Participants also take part in a management simulation and a 360-feedback survey. With their coaches, they work to discover new ways to apply the field’s best practices to their respective situations.

Scholarships to underwrite attendance at the Leadership Caucus were generously underwritten by the New York City Department of Youth and Community Development (DYCD), the New York Community Trust, the New York Foundation, the Robert Bowne Foundation, the Charles Hayden Foundation and the Independence Community Foundation.

“She (Leadership Caucus trainer) did not just give me answers, she helped me see the issue, decipher the pieces of it, and find solutions myself. She’s patient, understanding, but wouldn’t let me go off on a tangent. She’s been incredibly helpful. Now that I don’t have her, I reflect on the prisms she gave me to look at. She became a pretty good friend, too. In this role, one has to work through both the personal and the professional clutter. And she did both. Now, in the midst of an economic crisis, I’m able to look at things differently.”

Frank Brown, Oasis Community Corporation, NYC

Advocacy Work

CRE has remained committed to helping its clients strengthen their advocacy agendas and to encouraging nonprofits to come together and engage in sector-wide advocacy for policy change. A generous grant from The Atlantic Philanthropies allowed CRE to consider the nexus between capacity building and advocacy. CRE believes it has a key role in helping our clients legitimately reincorporate advocacy work into their day-to-day activities. Overall, the analysis of our advocacy potential has reenergized the CRE commitment to advocacy work.

Key CRE Accomplishments Fiscal Year 2008

Publications for the Nonprofit Sector

In the past fiscal year, CRE continued to present learning materials to the nonprofit sector by publishing guides and papers on capacity building and technical assistance:

- **Square Feet: How to Navigate NYC's Perilous Office Leasing Market**, by Charles S. Isaacs, Ph.D.; the first-ever free guide to help nonprofits understand the office real estate market and secure the space they need.
- **The Courage to Pause**, a paper by Jean Lobell on CRE's learning about effective leadership development work.
- **Peak Performance: Nonprofit Leaders Rate Highest in 360-Degree Reviews**, a paper by Jean Lobell and Paul M. Connolly, Ph.D., published in the Nonprofit Quarterly documenting the differential in leadership skills demonstrated by community based nonprofit leaders relative to their for profit, corporate counterparts.

"The people I worked with – were truly themselves...came across because they were authentic people. They weren't doing this because this was their job – or to get ahead. They could convey that to me without using words. I think they think of their work as a mission."

Sister Eileen Hogan, All Africa Conference: Sister to Sister

"CRE has been a valued and reliable resource for The DOME, and now CRE is instrumental in the next phase of The DOME'S growth.."

Martin Caba, The DOME Project, NYC

C3Community Conference Center

Throughout Fiscal Year 2008, CRE's C3 Community Conference Center was a busy place. From board meetings to strategy discussions to coaching sessions, our staff consultants used the rooms extensively for a variety of client meetings during regular business hours as well as evenings and weekends. The space also enabled CRE to host larger events such as staff retreats, workshops, "town halls," and our Leadership Caucus.

The main Training Room and the conference rooms were also rented by dozens of other nonprofits for their own meetings, trainings and events. Thus, the C3 has become what was originally envisioned for the space: a community center where groups can convene, work, dialogue and network. As such, the C3 has become a key part of CRE's offerings to the nonprofit sector.

The C3 Community Conference Center is a welcoming and accessible space for any nonprofit needing a place to meet. Rental rates are subsidized on a sliding scale to permit even the smallest of groups to afford meeting space. They can also take advantage of all the extras in each of the rooms, such as a computer with internet access and a flat screen monitor or a projector for all types of multimedia presentations. And every guest in the C3 has access to phones, public computers to check email, free wi-fi internet and complimentary coffee and tea.

Key CRE Accomplishments Fiscal Year 2008

Internal CRE Changes

During this fiscal year, we took an important step to improve both the effectiveness of our fundraising efforts as well as ongoing communication with our funders. We restructured and staffed a new development team for CRE that brings to bear experience from the corporate and philanthropic sectors on CRE's fund development and marketing activities.

In December, 2007, Patricia Hewitt became the new Chair of the Board of Directors of CRE, taking over from Anne Hess. Anne served as Chair with distinction and dedication since 2002, and made many critical contributions to CRE. She initiated our individual donor campaign, and steered the organization through a period of significant growth. During her tenure, our total budget grew 21%. We are grateful she will continue with us as Chair of the Development Committee. Patricia Hewitt joined the CRE Board in 2000. Now a law partner at Ingram, Yuzek, Gainen, Carroll & Bertolotti, Patricia has significant foundation and community organization experience. CRE is pleased that Monica Issar, Managing Director, J.P. Morgan Securities, Inc., and Michael Margitich, Deputy Director, External Affairs, Museum of Modern Art, joined the Board of Directors this year. CRE is fortunate to benefit from the outstanding leadership and commitment that all of its board members have brought to the organization.

Staff Members

Fran Barrett,
Executive Director

Jeff Ballow,
Senior Consultant

Barbara Blumenthal,
Project Director of Applied Research

Chien-Li Chung,
Chief Information Officer

Holly Delany Cole,
Deputy Director

Lisa Pilar Cowan
Project Director

Millie Diaz,
Receptionist

Karen Erdos,
Director of Development

Sonya Glazer,
Business Manager

Anna Gorenman
Fiscal Associate

Louisa Hackett,
Managing Director

Evelyne Heriveaux,
Controller

Pamela Kalish,
Contract Coordinator

Caitlin LaCroix
Development Associate

Valyrie Laedlin,
Deputy Director

Vivian Li,
Receptionist

Jean Lobell,
Managing Director

Pavitra Menon,
Senior Consultant

Randall Quan,
Managing Director

Melinda Rodriguez,
Senior Assistant for Programs

Ximena Rua-Merkin
Senior Consultant

Mohan Sikka,
Senior Project Director

Arnaldo Simo,
Consultant

Barbara Turk,
Senior Fellow

Robbie Welch,
Senior Assistant for Programs

Board of Directors

Margi Booth*

President, MBooth & Associates

Laurie O. Courage

Independent Consultant

Keiko Ianthe DeLille - Vice Chair

Community Development Consultant

Carleton Dukess - Treasurer

Attorney

Pamela Green*

Executive Director, Society for the Preservation of Weeksville & Bedford Stuyvesant History

Anne H. Hess*

Independent Consultant

Patricia Hewitt* - Chair

Partner, Hutton Ingram Yuzek Gainen Carroll & Bertolotti, LLP

Raymond D. Horton*

Professor, Columbia University Graduate School of Business

Robyn Brady Ince

Director, Youth About Business

Monica Issar*

Managing Director,
J.P. Morgan Securities, Inc.

Benjamin F. Lorick* - Secretary

Teacher, New York Department of Education

Jerry H. Marcus

Managing Director, Banc of America Securities

Michael Margitich*

Deputy Director, External Affairs,
Museum of Modern Art

Jean Murphy*

Attorney (retired)

Robert C. Penn

President
Vanguard Management Group

Shannon Snead*

Director of Development,
Brooklyn Public Library

Gelvin Stevenson, Ph.D.*

Director, Clear Skies Group

Larry Zilavy*

Senior Vice President, Barnes &
Noble College Booksellers

* denotes NYC resident (72%)

Thank You to Our Funders!

Corporations

Altria Foundation
Bank of Tokyo/BTMU
Deutsche Bank
JPMorganChase Foundation
M&T Bank
Schulte Roth & Zabel, LLP

Foundations

Anonymous Foundation
The Atlantic Philanthropies
Robert Bowne Foundation
Carnegie Corporation
Clark Foundation
Everett Fund
Charles Hayden Foundation
Independence Community Foundation
W.K. Kellogg Foundation
Mary Hutchins Fund
Hyde and Watson Foundation
New York Community Trust
New York Foundation
Overbrook Foundation
Scherman Foundation
Starry Night Fund at the Tides Foundation
Staten Island Foundation
UJA Federation of NYC
Union Square Awards
United Way
Westchester Community Foundation
Youth Inc.

Government

NYC Department for the Aging
NYC Department of Youth and
Community Development
NYS Homeless Housing Assis-
tance Corporation
Public Health Solutions/NYC
Council

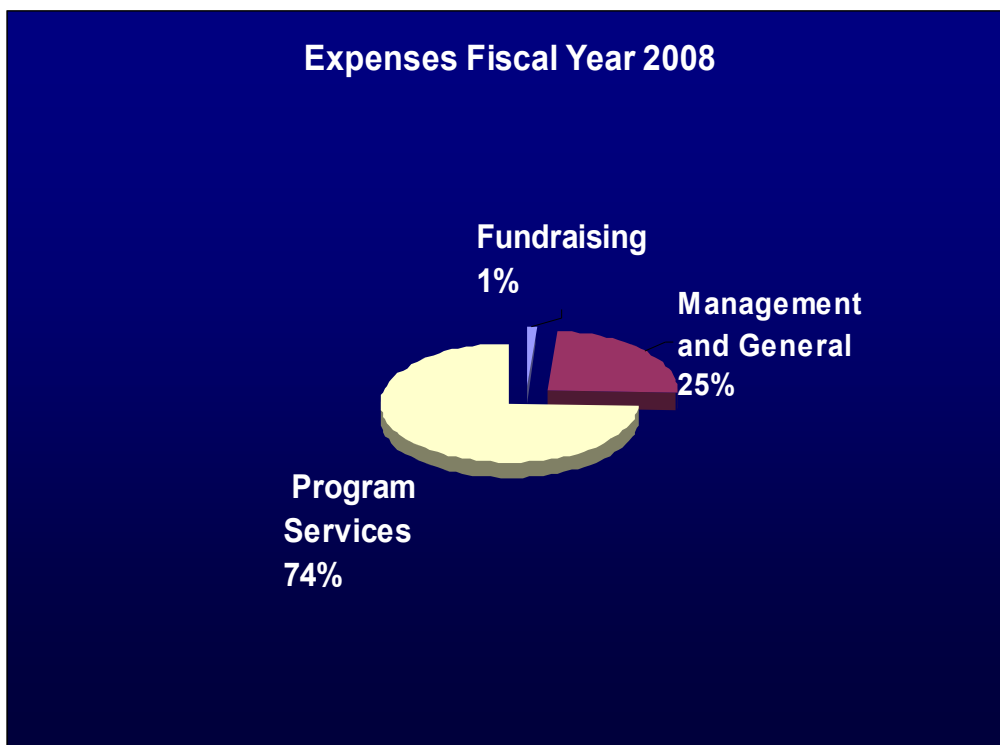
Special thanks to the volunteers of Gray Matters who have provided strategic advice to many nonprofits in such areas as law, finance, real estate, medicine, et.al.

Special thanks to Shulte, Roth & Zabel, LLP for pro bono counsel...

...and to the many generous individuals who give their time, talent and financial support

Financial Statements

Over the next two pages, you will be able to view CRE's financial statements for Fiscal Year 2008. Our total expenses came in at just under \$ 3.7 million, with 74% devoted to program services and only 1% allocated to fundraising expenses.



Community Resource Exchange, Inc.

Statement of Financial Position

September 30, 2008

| | Unrestricted | | | Temporarily Restricted | 2008 Total |
|--|---------------------|------------------------------|---------------------|---------------------------|---------------------|
| | Operating Fund | Board Designated Funds | Total | | |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 879,123 | \$ 390,982 | \$ 1,270,105 | \$ - | \$ 1,270,105 |
| Investments | - | 1,346,253 | 1,346,253 | - | 1,346,253 |
| Accrued interest receivable | 16,756 | - | 16,756 | - | 16,756 |
| Grants receivable | 40,000 | - | 40,000 | - | 40,000 |
| Government grants and contracts receivable | 104,598 | - | 104,598 | - | 104,598 |
| Foundation contracts and consulting fees receivable | 1,242,404 | - | 1,242,404 | - | 1,242,404 |
| Interfund (payable) receivable | (1,143,892) | (291,653) | (1,435,545) | 1,435,545 | - |
| Prepaid expenses and other assets | 46,149 | - | 46,149 | 4,000 | 50,149 |
| Leasehold improvements and office equipment, net | 211,570 | - | 211,570 | - | 211,570 |
| | <u>\$ 1,396,708</u> | <u>\$ 1,445,582</u> | <u>\$ 2,842,290</u> | <u>\$ 1,439,545</u> | <u>\$ 4,281,835</u> |
| LIABILITIES AND NET ASSETS | | | | | |
| Liabilities | | | | | |
| Accounts payable and accrued expenses | \$ 133,130 | \$ - | \$ 133,130 | \$ - | \$ 133,130 |
| Deferred revenue | 33,071 | - | 33,071 | - | 33,071 |
| Total Liabilities | <u>166,201</u> | <u>-</u> | <u>166,201</u> | <u>-</u> | <u>166,201</u> |
| Net Assets | | | | | |
| Unrestricted | 1,230,507 | 1,445,582 | 2,676,089 | - | 2,676,089 |
| Temporarily restricted | - | - | - | 1,439,545 | 1,439,545 |
| Total Net Assets | <u>1,230,507</u> | <u>1,445,582</u> | <u>2,676,089</u> | <u>1,439,545</u> | <u>4,115,634</u> |
| | <u>\$ 1,396,708</u> | <u>\$ 1,445,582</u> | <u>\$ 2,842,290</u> | <u>\$ 1,439,545</u> | <u>\$ 4,281,835</u> |

Community Resource Exchange, Inc.

Statement of Financial Position

September 30, 2007

| | Unrestricted | | | | |
|--|---------------------|------------------------------|---------------------|---------------------------|---------------------|
| | Operating Fund | Board Designated Funds | Total | Temporarily Restricted | 2007 Total |
| ASSETS | | | | | |
| Cash and cash equivalents | \$ 876,905 | \$ 127,910 | \$ 1,004,815 | \$ - | \$ 1,004,815 |
| Investments | - | 1,546,050 | 1,546,050 | - | 1,546,050 |
| Accrued interest receivable | - | 14,807 | 14,807 | - | 14,807 |
| Grants receivable | 1,120 | - | 1,120 | - | 1,120 |
| Government grants and contracts receivable | 140,506 | - | 140,506 | - | 140,506 |
| Foundation contracts and consulting fees receivable | 302,332 | - | 302,332 | - | 302,332 |
| Interfund (payable) receivable | (281,782) | (36,502) | (318,284) | 318,284 | - |
| Prepaid expenses and other assets | 54,929 | - | 54,929 | 8,000 | 62,929 |
| Leasehold improvements and office equipment, net | 246,158 | - | 246,158 | - | 246,158 |
| | <u>\$ 1,340,168</u> | <u>\$ 1,652,265</u> | <u>\$ 2,992,433</u> | <u>\$ 326,284</u> | <u>\$ 3,318,717</u> |
| LIABILITIES AND NET ASSETS | | | | | |
| Liabilities | | | | | |
| Accounts payable and accrued expenses | \$ 128,026 | \$ - | \$ 128,026 | \$ - | \$ 128,026 |
| Deferred revenue | 41,654 | - | 41,654 | - | 41,654 |
| Total Liabilities | <u>169,680</u> | <u>-</u> | <u>169,680</u> | <u>-</u> | <u>169,680</u> |
| Net Assets | | | | | |
| Unrestricted | 1,170,488 | 1,652,265 | 2,822,753 | - | 2,822,753 |
| Temporarily restricted | - | - | - | 326,284 | 326,284 |
| Total Net Assets | <u>1,170,488</u> | <u>1,652,265</u> | <u>2,822,753</u> | <u>326,284</u> | <u>3,149,037</u> |
| | <u>\$ 1,340,168</u> | <u>\$ 1,652,265</u> | <u>\$ 2,992,433</u> | <u>\$ 326,284</u> | <u>\$ 3,318,717</u> |

Community Resource Exchange, Inc.

Statement of Activities

Year Ended September 30, 2008

| | Unrestricted | | | Temporarily Restricted | 2008 Total |
|--|-------------------|------------------------------|------------------|---------------------------|------------------|
| | Operating Fund | Board Designated Funds | Total | | |
| PUBLIC SUPPORT AND REVENUE | | | | | |
| Foundation and corporate grants | \$ 416,517 | \$ - | \$ 416,517 | \$ 250,016 | \$ 666,533 |
| Government grants and contracts | 916,503 | - | 916,503 | - | 916,503 |
| Individual contributions | 117,606 | - | 117,606 | - | 117,606 |
| Foundation contracts and consulting fees | 1,574,869 | - | 1,574,869 | 1,248,467 | 2,823,336 |
| Investment income | 71,994 | - | 71,994 | - | 71,994 |
| Interest income | 14,940 | - | 14,940 | - | 14,940 |
| Conference room rentals | 10,434 | - | 10,434 | - | 10,434 |
| Sale of publications | 1,851 | - | 1,851 | - | 1,851 |
| Special events, net of costs of \$14,638 | 34,712 | - | 34,712 | - | 34,712 |
| Net assets released from restrictions | 385,222 | - | 385,222 | (385,222) | - |
| Total Public Support and Revenue | 3,544,648 | - | 3,544,648 | 1,113,261 | 4,657,909 |
| EXPENSES | | | | | |
| Program services | 2,745,601 | - | 2,745,601 | - | 2,745,601 |
| Management and general | 906,631 | - | 906,631 | - | 906,631 |
| Fundraising | 39,080 | - | 39,080 | - | 39,080 |
| Total Expenses | 3,691,312 | - | 3,691,312 | - | 3,691,312 |
| Change in Net Assets Before Interfund Transfers | (146,664) | - | (146,664) | 1,113,261 | 966,597 |
| Interfund transfers | 206,683 | (206,683) | - | - | - |
| Change in Net Assets | 60,019 | (206,683) | (146,664) | 1,113,261 | 966,597 |
| NET ASSETS | | | | | |
| Beginning of year | 1,170,488 | 1,652,265 | 2,822,753 | 326,284 | 3,149,037 |
| End of year | \$ 1,230,507 | \$ 1,445,582 | \$ 2,676,089 | \$ 1,439,545 | \$ 4,115,634 |

Community Resource Exchange, Inc.

Statement of Activities

Year Ended September 30, 2007

| | Unrestricted | | | Temporarily Restricted | 2007 Total |
|---|-------------------|------------------------------|------------------|---------------------------|------------------|
| | Operating Fund | Board Designated Funds | Total | | |
| PUBLIC SUPPORT AND REVENUE | | | | | |
| Foundation and corporate grants | \$ 188,600 | \$ - | \$ 188,600 | \$ 21,450 | \$ 210,050 |
| Government grants and contracts | 1,205,871 | - | 1,205,871 | - | 1,205,871 |
| Individual contributions | 279,792 | - | 279,792 | 10,000 | 289,792 |
| Foundation contracts and consulting fees | 887,056 | - | 887,056 | 117,461 | 1,004,517 |
| Investment income | 91,263 | - | 91,263 | - | 91,263 |
| Interest income | 18,498 | - | 18,498 | - | 18,498 |
| Conference room rentals | 21,387 | - | 21,387 | - | 21,387 |
| Sale of publications | 2,133 | - | 2,133 | - | 2,133 |
| Special events, net of costs of \$4,096 | 9,279 | - | 9,279 | - | 9,279 |
| Net assets released from restrictions | 950,408 | - | 950,408 | (950,408) | - |
| Total Public Support and Revenue | 3,654,287 | - | 3,654,287 | (801,497) | 2,852,790 |
| EXPENSES | | | | | |
| Program services | 2,764,010 | - | 2,764,010 | - | 2,764,010 |
| Management and general | 723,373 | - | 723,373 | - | 723,373 |
| Fundraising | 71,460 | - | 71,460 | - | 71,460 |
| Total Expenses | 3,558,843 | - | 3,558,843 | - | 3,558,843 |
| Change in Net Assets Before Interfund Transfers | 95,444 | - | 95,444 | (801,497) | (706,053) |
| Interfund transfers | 95,448 | (95,448) | - | - | - |
| Change in Net Assets | 190,892 | (95,448) | 95,444 | (801,497) | (706,053) |
| NET ASSETS | | | | | |
| Beginning of year | 979,596 | 1,747,713 | 2,727,309 | 1,127,781 | 3,855,090 |
| End of year | \$ 1,170,488 | \$ 1,652,265 | \$ 2,822,753 | \$ 326,284 | \$ 3,149,037 |