



Supporting Nonprofit Excellence. Advancing Social Justice.

Fiscal Year 2011 Annual Report

October 1, 2010-September 30, 2011

INTRODUCTION

Community Resource Exchange (CRE) would like to look back on just a few of the many accomplishments of the past year fiscal year. In 2011, we began a process to transform our work from the inside out. We have re-visited our Theory of Change, tweaked our mission statement and are defining our work in new ways. Outcomes we aim to achieve with our clients include: **financial strength, high performing staff, effective leadership and effective programs.** We have also done some marketing and communications work to revamp the language we use to describe ourselves, some of which you can see below:

CRE is committed to building a more just, equitable and livable City by making its nonprofits stronger and more effective. As New York City's (NYC's) leading nonprofit consulting firm, CRE provides customized consulting, coaching and training incorporating the latest knowledge and our extensive experience. We help our clients achieve remarkable results that ensure justice, expand opportunity, and improve our communities and the lives of our neighbors.

With more than 30 years of experience, CRE understands how to help community-based organizations (CBOs) navigate these difficult economic conditions. In the face of cutbacks in funding at all levels, we are helping organizations preserve services by focusing on core activities, linking their programs to desired outcomes, managing for effectiveness, and creating partnerships and collaborations.

HIGHLIGHTS

Fund for the Future

We are proud to announce that we have **reached our \$1 million goal** for our 30th Anniversary **Fund for the Future** Campaign. As you know, we plan to use this Fund now and over the next two years to weather these difficult economic times. The Fund for the Future is providing CRE with some resiliency in serving our clients, developing our own talent, and developing new offerings to sustain our commitment to providing quality management assistance to NYC nonprofits.

FY 2011 Hours of Service	
Consulting	9,000+
Cohort Work	1,500+
Workshops	345

Effective Program Practice

Our new Effective Program practice provides the lens through which we help clients define their work, focus on their missions and align their programs with the outcomes



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they seek to achieve. This new framework will ground the work CRE does going forward. CRE has adopted and begun using **five questions driving organizational effectiveness** with our clients in planning engagements, our largest area of work. These questions include:

1. Why does our organization exist?
2. For whom does our organization exist?
3. What does meaningful success look like?
4. What programs and services get us to success? and
5. How do we manage for effectiveness?

By helping our clients achieve clarity of purpose, we start them down the path of building and managing effective programs that funders, even in this constrained environment, are willing to support. Here are some things clients have said about their experience with CRE's Effective Program work:

"Staff have more unified vision of what we are doing. [There is a] qualitative difference between staff meetings before and after ... more teamwork and cooperation."

[This work resulted in] "reduced turnover of program staff. They're working together more because they see a common purpose and can be more efficient by learning from each other."

"[The I]nitiative ... changed the culture and climate of my division."

"We're doing more thinking at a global level about program issues."

Investment in Systems

As we help our clients manage for effectiveness, CRE is doing the same for ourselves. CRE has defined the outcomes we want to achieve with our clients, results that will, in turn, make our clients healthier and more effective in *their* work. To help us manage the information that we will be collecting about outcomes our clients are achieving, we have begun the process of creating an integrated system on a Salesforce platform to manage client information, project management and reporting; we will shortly begin adding our Development database to this platform. In addition, a grant from the Hyde and Watson Foundation has allowed us to purchase new laptops for all consultants which will help us work more easily with clients when we travel to their offices.



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Daring to Lead

CRE was the New York partner for *Daring to Lead: A National Study of Nonprofit Executive Leadership* published by CompassPoint and the Agnes and Eugene Meyer Foundation. More than 3,000 executive directors from across the nation were surveyed on issues related to leadership in the sector. CRE connected CompassPoint and the Meyer Foundation with the most respondents of any partner – over 250 NYC executive directors. Since the release of the final report, CRE has responded with a series of blog posts on key issues that were highlighted in the study, demonstrating how capacity building services can and do help nonprofit leaders.

Neighborhood-Based Capacity Building

CRE also continued its Neighborhood-Based Capacity Building initiative under a grant from the New York Community Trust. In the first year, CRE provided tailored professional development and training in the various neighborhoods and helped build networks among the nonprofits operating in those communities. In the second year, we are helping to strengthen these collaboratives and develop the capacity of key groups by providing management support services. We continue to see the range of partnerships and collaborations among nonprofits as a fertile area of work.

<i>FY 2011 Numbers Served</i>	
TOTAL ENGAGEMENTS	257
CBOs Receiving Strategic Advice and Consulting	223
CBO Staff Reached Through Cohort-Based Work	200+
CBOs Receiving Services Through CRE's Pro-Bono Account	20%
CBOs Receiving Services Through Third Party Contracts	50%
Fundamentals Workshop Series Clients	53
Executive Director Hotline Clients	85
Publications and Tools Downloaded	3,800+

In FY 2012, we will continue to look for ways to mesh the entrepreneurial spirit, energy, authenticity, and commitment of community-based organizations with expanded effectiveness and efficiencies of scale. We want to explore how networks of nonprofits, like those forged in our Neighborhood-Based Capacity Building initiative, might represent the model of service delivery and community development for the future. CRE is excited to be looking ahead in continuing to partner with others in helping NYC's nonprofits achieve their missions.

Holly Delany Cole
Co-Director

Valyrie Laedlein
Co-Director



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CRE STAFF

CRE's expert consultants combine a deep commitment to our clients' missions with first-hand nonprofit management experience to help us achieve remarkable results for our clients. Our staff of multi-cultural, multi-lingual and intellectually and academically diverse consultants is our distinguishing feature.

Executive Team

Holly Delany Cole, Co-Director

Valyrie Laedlein, Co-Director

Staff

Jeff Ballow, Senior Consultant

Millie Diaz, Receptionist

Pamela Dicient, Development Assistant

Karen Erdos, Director of Development

Sabrina Evans-Ellis, Senior Consultant

Russell Feldman, Data Manager

Sonya Glazer, Business Manager

Anna Gorenman, Fiscal Associate

Anna Gorman, Executive Assistant

Louisa Hackett, Senior Managing Director for

Practice Development & Program Operations

Evelyne Izeogu, Controller

Pamela Kalish, Contract Coordinator

Rosa Kelly, Public Ally/Program Assistant

Kenesha Kellier, Fiscal Assistant

Vivian Li, Receptionist

Jean Lobell, Senior Managing Director for Consulting

Pavitra Menon, Senior Consultant

Randall Quan, Community and Sector Initiatives Managing Director

Melinda Rodriguez, Senior Assistant for Programs

Ximena Rua-Merkin, Senior Consultant

Mohan Sikka, Managing Director for Practice Development

Rona Taylor, Hunter School of Social Work Intern

Barbara Turk, Senior Fellow

Robbie Welch, Senior Assistant for Programs



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A special thank you to our [Board of Directors!](#)

Margaret Booth

President
MBooth & Associates

Keiko Ianthe DeLille, *Vice Chair*

Community Development Consultant

A. Carleton Dukess, *Treasurer*

Attorney and Real Estate
Developer

Pamela Green

Executive Director,
Weeksville Heritage Center

Anne H. Hess

Philanthropist and Activist

Patricia Hewitt, *Chair*

Partner, Ingram Yuzek Gainen
Caroll & Bertolotti, LLP

Raymond D. Horton

Founder, Social Enterprise Program
Columbia Business School

Robyn Brady Ince

Sr. Director, Youth and Education
National Urban League

Monica Issar

Managing Director
JP Morgan Private Bank

Benjamin F. Lorick, *Secretary*

Teacher, New York City
Department of Education

Jerry H. Marcus

Vice Chair, Retail
Bank of America Merrill Lynch

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President
Vanguard Management Group

Gelvin Stevenson, Ph. D.

Director
Clear Skies Group

Lawrence S. Zilavy

Senior Vice President
LR Enterprises Management



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Thank you to our **Funders** for making our work affordable and accessible to the City's nonprofits!

Foundations

Anonymous (2)
The Atlantic Philanthropies
Lily Auchincloss Foundation
Blue Ridge Foundation New York
The Booth Ferris Foundation
The Robert Bowne Foundation
Charina Endowment Fund
Liz Claiborne Foundation
FJC, A Foundation of Donor Advised Funds
The Charles Hayden Foundation
CrossCurrents Foundation
Mary J. Hutchins Foundation
The Hyde and Watson Foundation
W.K. Kellogg Foundation
The New York Community Trust
New York Foundation
Open Society Institute
The Scherman Foundation
Seinfeld Family Foundation
The Sister Fund
Starry Night Fund of the Tides Foundation
The Staten Island Foundation
The Union Square Awards
United Way of New York City
H. van Ameringen Foundation
Westchester Community Foundation

Corporations

Bank of Tokyo-Mitsubishi UFJ Foundation
Deutsche Bank Americas Foundation
JPMorgan Chase Foundation
M&T Charitable Foundation
Schulte Roth & Zabel, LLP

Government

New York City Department for the Aging
New York City Department of Youth and Community Development
Public Health Solutions/New York City Council

Thanks to the many **individual donors** who give their time, talent and financial support to CRE. Special thanks to **Schulte Roth & Zabel, LLP** for pro-bono counsel and for a legal fellow in 2011.

Community Resource Exchange, Inc.

Financial Statements

September 30, 2011 and 2010



O'Connor Davies Munns & Dobbins, llp
ACCOUNTANTS AND CONSULTANTS

Independent Auditors' Report

Board of Directors Community Resource Exchange, Inc.

We have audited the accompanying statements of financial position of Community Resource Exchange, Inc. ("CRE") as of September 30, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of CRE'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 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 CRE'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 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 Community Resource Exchange, Inc. as of September 30, 2011 and 2010, and the changes in its net assets and in its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

O'Connor Davies Munns & Dobbins, LLP

March 6, 2012
New York, New York

Community Resource Exchange, Inc.

Statements of Financial Position

September 30,

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and cash equivalents	\$ 1,468,041	\$ 1,179,578
Investments	1,783,740	1,563,361
Accrued interest receivable	3,589	6,710
Government grants and contracts receivable	302,709	409,903
Foundation grants, contracts, consulting fees receivable and donor pledges	498,099	436,600
Prepaid expenses and other assets	45,960	57,598
Leasehold improvements and office equipment, net	<u>142,257</u>	<u>141,458</u>
	<u>\$ 4,244,395</u>	<u>\$ 3,795,208</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Accounts payable and accrued expenses	\$ 243,593	\$ 149,955
Deferred revenue	<u>40,079</u>	<u>21,627</u>
Total Liabilities	<u>283,672</u>	<u>171,582</u>
Net Assets		
Unrestricted		
Operating (or "Undesignated")	1,322,297	1,328,657
Board Designated	<u>1,580,272</u>	<u>1,685,582</u>
	2,902,569	3,014,239
Temporarily Restricted	<u>1,058,154</u>	<u>609,387</u>
Total Net Assets	<u>3,960,723</u>	<u>3,623,626</u>
	<u>\$ 4,244,395</u>	<u>\$ 3,795,208</u>

See notes to financial statements

Community Resource Exchange, Inc.

Statement of Activities

Year Ended September 30, 2011

	Unrestricted Net Assets			Temporarily	
	Operating	Board Designated	Total	Restricted Net Assets	Total
SUPPORT AND REVENUE					
Foundation and corporate grants	\$ 668,734	\$ -	\$ 668,734	\$ 778,682	\$ 1,447,416
Government grants and contracts	1,098,560	-	1,098,560	-	1,098,560
Contributions	326,163	-	326,163	190,250	516,413
Consulting fees	525,465	-	525,465	-	525,465
Investment income	9,976	-	9,976	-	9,976
Conference room rentals	15,575	-	15,575	-	15,575
Special events, net of costs of \$47,323	48,347	-	48,347	-	48,347
In-kind contribution	5,500	-	5,500	-	5,500
Net assets released from restrictions	<u>520,165</u>	<u>-</u>	<u>520,165</u>	<u>(520,165)</u>	<u>-</u>
Total Public Support and Revenue	<u>3,218,485</u>	<u>-</u>	<u>3,218,485</u>	<u>448,767</u>	<u>3,667,252</u>
EXPENSES					
Program services	2,515,903	-	2,515,903	-	2,515,903
Management and general	749,744	-	749,744	-	749,744
Fundraising	<u>64,508</u>	<u>-</u>	<u>64,508</u>	<u>-</u>	<u>64,508</u>
Total Expenses	<u>3,330,155</u>	<u>-</u>	<u>3,330,155</u>	<u>-</u>	<u>3,330,155</u>
Interfund transfers	<u>105,310</u>	<u>(105,310)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Assets	(6,360)	(105,310)	(111,670)	448,767	337,097
NET ASSETS					
Beginning of year	<u>1,328,657</u>	<u>1,685,582</u>	<u>3,014,239</u>	<u>609,387</u>	<u>3,623,626</u>
End of year	<u>\$ 1,322,297</u>	<u>\$ 1,580,272</u>	<u>\$ 2,902,569</u>	<u>\$ 1,058,154</u>	<u>\$ 3,960,723</u>

Community Resource Exchange, Inc.

Statement of Activities

Year Ended September 30, 2010

	Unrestricted Net Assets			Temporarily	
	Operating	Board Designated	Total	Restricted Net Assets	Total
SUPPORT AND REVENUE					
Foundation and corporate grants	\$ 524,362	\$ -	\$ 524,362	\$ 464,583	\$ 988,945
Government grants and contracts	1,420,372	-	1,420,372	-	1,420,372
Contributions	115,645	-	115,645	65,000	180,645
Consulting fees	448,019	-	448,019	-	448,019
Investment income	40,373	-	40,373	-	40,373
Conference room rentals	23,809	-	23,809	-	23,809
Sale of publications	84	-	84	-	84
Special events, net of costs of \$11,249	38,976	-	38,976	-	38,976
In-kind contribution	60,000	-	60,000	-	60,000
Net assets released from restrictions	940,551	-	940,551	(940,551)	-
Total Public Support and Revenue	3,612,191	-	3,612,191	(410,968)	3,201,223
EXPENSES					
Program services	2,831,189	-	2,831,189	-	2,831,189
Management and general	859,761	-	859,761	-	859,761
Fundraising	35,902	-	35,902	-	35,902
Total Expenses	3,726,852	-	3,726,852	-	3,726,852
Interfund transfers	60,000	(60,000)	-	-	-
Change in Net Assets	(54,661)	(60,000)	(114,661)	(410,968)	(525,629)
NET ASSETS					
Beginning of year	1,383,318	1,745,582	3,128,900	1,020,355	4,149,255
End of year	\$ 1,328,657	\$ 1,685,582	\$ 3,014,239	\$ 609,387	\$ 3,623,626

Community Resource Exchange, Inc.

Statement of Functional Expenses

Year Ended September 30, 2011

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
PERSONNEL				
Salaries and related expenses	\$ 1,280,701	\$ 427,710	\$ 38,176	\$ 1,746,587
Employee benefits	<u>338,215</u>	<u>113,200</u>	<u>10,249</u>	<u>461,664</u>
Total Personnel Costs	1,618,916	540,910	48,425	2,208,251
OTHER THAN PERSONNEL COSTS				
Conferences and meetings	23,426	7,728	-	31,154
Consultants	314,520	104,676	10,000	429,196
Professional fees	-	25,500	-	25,500
Office equipment and supplies	36,747	12,299	1,114	50,160
Physical facilities, including rent, utilities and insurance	257,089	43,274	3,918	304,281
Staff and leadership development	21,358	111	-	21,469
Travel	5,895	3,536	-	9,431
Communications	19,536	6,539	592	26,667
Materials including printing and publications	24,236	99	-	24,335
Bad debt	17,170	-	-	17,170
Depreciation	15,155	5,072	459	20,686
Small grants and re-grants	<u>161,855</u>	<u>-</u>	<u>-</u>	<u>161,855</u>
Total Expenses	<u>\$ 2,515,903</u>	<u>\$ 749,744</u>	<u>\$ 64,508</u>	<u>\$ 3,330,155</u>

See notes to financial statements

Community Resource Exchange, Inc.

Statement of Functional Expenses

Year Ended September 30, 2010

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
PERSONNEL				
Salaries and related expenses	\$ 1,370,023	\$ 551,683	\$ 25,119	\$ 1,946,825
Employee benefits	<u>357,702</u>	<u>141,401</u>	<u>6,984</u>	<u>506,087</u>
Total Personnel Costs	1,727,725	693,084	32,103	2,452,912
OTHER THAN PERSONNEL COSTS				
Conferences and meetings	22,893	8,699	-	31,592
Consultants	669,965	39,200	-	709,165
Professional fees	-	24,500	-	24,500
Office equipment and supplies	31,262	12,357	610	44,229
Physical facilities, including rent, utilities and insurance	242,240	47,299	2,336	291,875
Staff and leadership development	30,138	984	-	31,122
Travel	10,217	2,262	-	12,479
Communications	17,871	7,065	349	25,285
Materials including printing and publications	35,276	14,099	-	49,375
Bad debt	438	-	-	438
Depreciation	25,834	10,212	504	36,550
Small grants and re-grants	<u>17,330</u>	<u>-</u>	<u>-</u>	<u>17,330</u>
Total Expenses	<u>\$ 2,831,189</u>	<u>\$ 859,761</u>	<u>\$ 35,902</u>	<u>\$ 3,726,852</u>

See notes to financial statements

Community Resource Exchange, Inc.

Statements of Cash Flows

Years Ended September 30,

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 337,097	\$ (525,629)
Adjustments to reconcile change in net assets to net cash from operating activities		
Donated common stock received	(55,084)	(54,410)
Depreciation	20,686	36,550
Unrealized loss on investments	12,520	3,400
Changes in operating assets and liabilities		
Accrued interest receivable	3,121	7,553
Other revenue receivable	-	1,000
Government grants and contracts receivable	107,194	(61,149)
Foundation grants, contracts and consulting fees receivable	(61,499)	344,352
Prepaid expenses and other current assets	11,638	(14,570)
Accounts payable and accrued expenses	93,638	(15,828)
Deferred revenue	18,452	(32,625)
	<u>487,763</u>	<u>(311,356)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of leasehold improvements and equipment	(21,485)	-
Purchase of investments	(1,395,000)	(686,000)
Sales and redemption of investments	1,217,185	1,320,410
	<u>(199,300)</u>	<u>634,410</u>
Net Cash from Investing Activities		
	<u>288,463</u>	<u>323,054</u>
CASH AND CASH EQUIVALENTS		
Beginning of year	1,179,578	856,524
End of year	<u>\$ 1,468,041</u>	<u>\$ 1,179,578</u>

See notes to financial statements

Community Resource Exchange, Inc.

Notes to Financial Statements

1. Organization and Taxation

Community Resource Exchange, Inc. ("CRE") is a not-for-profit corporation that helps make New York City's nonprofit organizations stronger and more effective in fighting poverty and advancing social justice. CRE carries out its mission through one-to-one management consulting, coaching, workshops, and cohort learning programs in the areas of strategic and organizational planning, board development, fundraising management, human resources, financial management, strategic restructuring, and leadership development. CRE also provides information, tools and resources to support nonprofit leaders and works in partnership with government and foundations to assure that its services are made available to target organizations regardless of their ability to pay. CRE is a charitable organization exempt from income tax under Section 501(c)(3) of the Internal Revenue Code.

2. Summary of Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Basis of Presentation

Net assets are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of CRE and changes therein are classified as permanently restricted, temporarily restricted or unrestricted. CRE did not have any permanently restricted net assets.

Cash and Cash Equivalents

For the purposes of the statements of cash flows, CRE considers all money market funds and highly liquid instruments purchased with a maturity of three months or less at the time of purchase to be cash equivalents.

Fair Value Measurements

CRE follows Financial Accounting Standards Board (FASB) guidance on *Fair Value Measurements* which defines fair value and establishes a fair value hierarchy organized into three levels based upon the input assumptions used in pricing assets. Level 1 inputs have the highest reliability and are related to assets with unadjusted quoted prices in active markets. Level 2 inputs relate to assets with other than quoted prices in active markets which may include quoted prices for similar assets or liabilities or other inputs which can be corroborated by observable market data. Level 3 inputs are unobservable inputs and are used to the extent that observable inputs do not exist.

Community Resource Exchange, Inc.

Notes to Financial Statements

2. Summary of Significant Accounting Policies (*continued*)

Investments

Investments consist of certificates of deposit which are reported at cost plus any accrued interest and common stock valued at fair value.

Leasehold Improvements and Office Equipment

Office equipment and furniture acquisitions are stated at cost and depreciated on a straight line basis over their estimated useful lives. Leasehold improvements are stated at cost and amortized on a straight-line basis over the shorter of the lease term or their estimated useful life. CRE capitalizes all expenditures for leasehold improvements and office equipment in excess of \$1,500.

Contributions

Contributions are recognized when the donor makes a promise to give to CRE that is, in substance, unconditional. Contributions that are restricted by the donor are reported as increases in unrestricted net assets if the restrictions expire in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets.

Revenue Recognition

Revenues from government contracts and grants are recognized when costs are incurred or other services are performed and requisitions for reimbursements are submitted. Deferred revenue represents consulting fees received in advance of the performance of services.

Donated Goods and Services

CRE recognizes donated goods and services which have an ascertainable value and are an integral part of CRE's program and support services.

Accounting for Uncertainty in Income Taxes

CRE recognizes the effect of income tax positions only when they are more likely than not of being sustained. Management has determined that CRE had no uncertain tax positions that would require financial statement recognition or disclosure. CRE is no longer subject to audits by the applicable taxing jurisdictions for periods prior to September 30, 2007.

Subsequent Events Evaluation by Management

Management has evaluated subsequent events for disclosures and/or recognition in the financials statements through March 6, 2012, and has none to disclose.

Community Resource Exchange, Inc.

Notes to Financial Statements

3. Investments

The investments at September 30, 2011 and 2010 consist of Certificates of Deposit which are stated at cost plus any accrued interest. The certificates at September 30, 2011 bear interest ranging from .350% to 1.55% and have maturities ending October 2011 through September 2013. In addition to the Certificates of Deposits, which had a cost of \$1,775,898, investments at September 30, 2011 also consisted of 260 shares of Walt Disney Company common stock with a fair value of \$7,842. As of September 30, 2011 all investments held that were measured at fair value were Level 1 investments.

4. Government Grants and Contracts Receivable

Government grants and contracts receivable consist of the following as of September 30:

	2011	2010
The City of New York Department for the Aging	\$ 23,391	\$ 39,270
Department of Youth and Community Development	96,449	173,975
New York City Housing Authority	1,550	-
NYC Department of Health and Mental Health Public Health Solutions/HIV Care Services	181,319	196,658
	<u>\$ 302,709</u>	<u>\$ 409,903</u>

5. Foundation Grants, Contracts, Consulting Fees Receivable and Donor Pledges

Foundation grants, contracts, consulting fees receivable and donor pledges consist of the following as of September 30:

	2011	2010
Anonymous	\$ 50,000	\$ -
Booth Ferris	75,000	-
Hayden Foundation	25,700	-
New York Community Trust	100,000	125,000
Tides Foundation - Starry Night Fund	-	150,000
Westchester Community Foundation	4,325	44,675
Consulting fees	161,058	114,319
All other	82,016	2,606
	<u>\$ 498,099</u>	<u>\$ 436,600</u>

Community Resource Exchange, Inc.

Notes to Financial Statements

5. Foundation Grants, Contracts, Consulting Fees Receivable and Donor Pledges (continued)

Management reviewed the collectible status of its receivables based on past experience and collections subsequent to year end. An allowance was deemed unnecessary.

6. Leasehold Improvements and Office Equipment

Leasehold improvements and office equipment consists of the following at September 30:

	2011	2010
Leasehold improvements	\$ 199,490	\$ 194,490
Office equipment / furniture	<u>207,572</u>	<u>191,087</u>
	407,062	385,577
Accumulated depreciation and amortization	<u>264,805</u>	<u>244,119</u>
	<u>\$ 142,257</u>	<u>\$ 141,458</u>

7. In-Kind Contributions

CRE received donated space for a fundraising event amounting to \$5,500 in the fiscal year ended September 30, 2011. In 2010, CRE received donated staff services amounting to \$60,000. Such space and services are reflected as revenue and expenses in the accompanying statement of activities.

8. Special Events

During the year, CRE used the occasion of its 30th anniversary to conduct a major donor campaign, called the Fund for the Future. This campaign culminated in an event designed to promote CRE, attract smaller donors, and thank major donors to the Fund for the Future. Expenses associated with the event are shown on the Statement of Activities and deducted from total event proceeds to yield net revenues from the event. Pledges and contributions for the Fund for the Future campaign are recorded as contributions.

Community Resource Exchange, Inc.

Notes to Financial Statements

9. Temporarily Restricted Net Assets

As of September 30, 2011 and 2010, temporarily restricted net assets consisted of the following:

	<u>2011</u>	<u>2010</u>
Purpose Restriction		
Performance Management System	\$ 138,764	\$ -
CRE's Small Grants Program	25,081	25,081
Consulting work with funder-designated client organizations	316,225	339,306
Time restriction	<u>578,084</u>	<u>245,000</u>
Total	<u>\$ 1,058,154</u>	<u>\$ 609,387</u>

Certain programs carried on by CRE are funded by third party contributions or grants which are not fully expended within the fiscal year. The use of these funds is restricted to the designated program for which the revenue was received. Restricted balances as of September 30, 2011 and 2010 were \$1,058,154 and \$609,387, restricted for the purpose of providing consulting, coaching and training services to build the capacity of community based organizations, to implement a performance management system and to operate a small grant program. To carry out these programs and activities, \$520,165 and \$940,551, of previous year's restricted funds were expended for program related expenses during the years ended September 30, 2011 and 2010, and were therefore released from restrictions.

10. Board Designated Funds

Board designated funds consisted of the following at September 30:

	<u>2011</u>	<u>2010</u>
Reserve Fund - for use only at the Board's discretion to meet shortfalls in funding	\$ 677,190	\$ 774,700
Program Expansion Fund - for use in supporting future program expansions	888,030	888,030
Capital Fund	<u>15,052</u>	<u>22,852</u>
	<u>\$ 1,580,272</u>	<u>\$ 1,685,582</u>

Community Resource Exchange, Inc.

Notes to Financial Statements

11. Employee Benefit Plan

CRE has a 403(b) and 457(b) plan available to its employees. The 403(b) plan covers all employees with a minimum of one year of service. The 457(b) covers Executive Directors with a minimum of 25 years of service. CRE's contributions are at the discretion of the Board. CRE contributions amounted to approximately \$84,644 and \$105,496 for the years ended September 30, 2011 and 2010, respectively.

12. Lease Commitment

CRE's lease for office space expires on May 7, 2020. The rental expense for CRE for the years ended September 30, 2011 and 2010 was approximately \$239,000 and \$230,000. Future minimum annual rental payments for the operating lease through the expiration of the lease are as follows:

Fiscal Year	Amount
2012	\$ 236,104
2013	262,976
2014	269,430
2015	276,166
2016	283,070
2017-2020	<u>1,122,011</u>
	<u>\$ 2,449,757</u>

13. Concentration of Credit Risk and Other Financial Information

Financial instruments that potentially subject CRE to significant concentrations of credit risk consist principally of short-term investments in money market accounts. At times balances held at financial institutions may be in excess of federally insured limits. CRE has not experienced any losses on its cash deposits. For the year ended September 30, 2011, approximately 30% of CRE's funding was provided from government grants.