

COMMITTEE FOR A CONSTRUCTIVE TOMORROW

**Financial Statements For the Years Ended December 31, 2011 and 2010
and Independent Auditors' Report
Dated July 6, 2012**

**HENDERSHOT, BURKHARDT & REED
CERTIFIED PUBLIC ACCOUNTANTS
7525 Presidential Lane, Manassas, Virginia 20109
Telephone (703) 361-1592 Fax (703) 361-0836**

Independent Auditors' Report

The Board of Directors
Committee For A Constructive Tomorrow
Washington, D.C.

We have audited the accompanying statements of financial position of Committee For A Constructive Tomorrow ("the Organization") as of December 31, 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 the Organization'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 audits 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 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 Committee For A Constructive Tomorrow at December 31, 2011 and 2010, and 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.

Hendershot, Burkhardt & Reed, CPAs
Hendershot, Burkhardt & Reed, CPAs
July 6, 2012

COMMITTEE FOR A CONSTRUCTIVE TOMORROW

Statements of Financial Position As of December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
ASSETS		
Current Assets		
Cash	\$ 729,693	\$ 452,728
Prepaid Expenses	19,493	10,080
Accounts Receivable	<u>57</u>	<u>180</u>
Total Current Assets	749,243	462,988
Furniture and Equipment		
Furniture and Equipment	25,769	30,222
Accumulated Depreciation	<u>(19,809)</u>	<u>(25,010)</u>
Total Furniture and Equipment	<u>5,960</u>	<u>5,212</u>
Total Assets	<u>\$ 755,203</u>	<u>\$ 468,200</u>
LIABILITIES & NET ASSETS		
Liabilities		
Current Liabilities		
Accounts Payable	\$ 24,868	\$ 39,496
Payroll Liabilities	<u>7,678</u>	<u>9,367</u>
Total Current Liabilities	<u>32,546</u>	<u>48,863</u>
Total Liabilities	32,546	48,863
Net Assets		
Unrestricted Net Assets	722,657	413,337
Temporarily Restricted Net Assets	<u>-</u>	<u>6,000</u>
Total Net Assets	<u>722,657</u>	<u>419,337</u>
Total Liabilities and Net Assets	<u>\$ 755,203</u>	<u>\$ 468,200</u>

See the accompanying Independent Auditors' Report and notes to the financial statements

COMMITTEE FOR A CONSTRUCTIVE TOMMORROW
Statement of Activities
For the Year Ended December 31, 2011

	<u>Unrestricted</u>	Temporarily <u>Restricted</u>	<u>Total</u>
Revenue			
Contributions	\$ 2,984,383	\$ -	\$ 2,984,383
Miscellaneous Income	700	-	700
Interest Income	111	-	111
Released from Restriction	<u>6,000</u>	<u>(6,000)</u>	<u>-</u>
Total Revenue	2,991,194	(6,000)	2,985,194
Expenses			
Program	2,230,572	-	2,230,572
Administrative	78,435	-	78,435
Fundraising	<u>372,867</u>	<u>-</u>	<u>372,867</u>
Total Expenses	<u>2,681,874</u>	<u>-</u>	<u>2,681,874</u>
Change in Net Assets	309,320	(6,000)	303,320
Net Assets, <i>Beginning of Year</i>	<u>413,337</u>	<u>6,000</u>	<u>419,337</u>
Net Assets, <i>End of Year</i>	<u>\$ 722,657</u>	<u>\$ -</u>	<u>\$ 722,657</u>

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COMMITTEE FOR A CONSTRUCTIVE TOMMORROW

Statement of Activities

For the Year Ended December 31, 2010

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Revenue			
Contributions	\$ 2,819,477	\$ 6,000	\$ 2,825,477
Miscellaneous Income	25,119	-	25,119
Interest Income	<u>151</u>	<u>-</u>	<u>151</u>
Total Revenue	<u>2,844,747</u>	<u>6,000</u>	<u>2,850,747</u>
Expenses			
Program	2,398,978	-	2,398,978
Administrative	103,797	-	103,797
Fundraising	<u>368,386</u>	<u>-</u>	<u>368,386</u>
Total Expenses	<u>2,871,161</u>	<u>-</u>	<u>2,871,161</u>
Change in Net Assets	(26,414)	6,000	(20,414)
Net Assets, <i>Beginning of Year</i>	<u>439,751</u>	<u>-</u>	<u>439,751</u>
Net Assets, <i>End of Year</i>	<u>\$ 413,337</u>	<u>\$ 6,000</u>	<u>\$ 419,337</u>

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COMMITTEE FOR A CONSTRUCTIVE TOMORROW
Statements of Cash Flows
For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 303,320	\$ (20,414)
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	3,094	3,062
Changes in assets and liabilities		
(Increase)/Decrease in accounts receivable	123	630
(Increase)/Decrease in prepaid expenses	(9,413)	466
Increase/(Decrease) in accounts payable	(14,628)	(16,717)
Increase/(Decrease) in payroll liabilities	<u>(1,689)</u>	<u>828</u>
NET CASH PROVIDED BY / (USED BY) OPERATING ACTIVITIES	280,807	(32,145)
CASH FLOWS FROM INVESTING ACTIVITIES		
(Purchases) of property and equipment	<u>(3,842)</u>	<u>(2,197)</u>
NET CASH USED BY INVESTING ACTIVITIES	<u>(3,842)</u>	<u>(2,197)</u>
CASH FLOWS FROM FINANCING ACTIVITIES	<u>-</u>	<u>-</u>
Increase / (decrease) in cash and cash equivalents	276,965	(34,342)
Cash and cash equivalents at beginning of year	<u>452,728</u>	<u>487,070</u>
CASH AND CASH EQUIVALENTS AT END OF YEAR	<u>\$ 729,693</u>	<u>\$ 452,728</u>

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COMMITTEE FOR A CONSTRUCTIVE TOMORROW
Statement of Functional Expenses
For the Year Ended December 31, 2011

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Project Expense	\$ 942,946	\$ -	\$ -	\$ 942,946
Compensation	550,599	16,613	56,205	623,417
Grant Expense	304,000	-	-	304,000
Direct Mail Expense	-	-	248,306	248,306
Consulting	101,173	1,030	19,830	122,033
Employee Benefits	70,711	14,838	7,204	92,753
Travel	64,984	504	10,409	75,897
Payroll Taxes	41,157	1,427	4,659	47,243
Radio	37,788	-	-	37,788
Professional Fees: Accounting	-	31,231	-	31,231
Printing and Reproduction	26,197	553	4,336	31,086
Telephone and Internet	24,665	1,180	2,855	28,700
Dues and Subscriptions	11,793	527	3,967	16,287
Postage and Delivery	11,368	264	2,024	13,656
Rent	7,868	258	4,448	12,574
Meetings and Conferences	8,512	-	1,917	10,429
Miscellaneous	3,939	5,775	163	9,877
Professional Fees: Other	7,688	780	132	8,600
Supplies	3,111	3,285	2,105	8,501
Awards	6,000	-	-	6,000
Taxes and Licenses	-	-	4,063	4,063
Depreciation Expense	2,834	107	153	3,094
Utilities	1,511	57	82	1,650
Donations and Gifts	1,066	6	9	1,081
Professional Fees: Legal	662	-	-	662
	<u>\$ 2,230,572</u>	<u>\$ 78,435</u>	<u>\$ 372,867</u>	<u>\$ 2,681,874</u>

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COMMITTEE FOR A CONSTRUCTIVE TOMMORROW
Statement of Functional Expenses
For the Year Ended December 31, 2010

	<u>Program</u>	<u>Administrative</u>	<u>Fundraising</u>	<u>Total</u>
Project Expense	\$ 855,616	\$ -	\$ -	\$ 855,616
Compensation	584,256	33,481	48,505	666,242
Grant Expense	349,250	-	-	349,250
Consulting	234,112	324	49,076	283,512
Direct Mail Expense	-	-	246,178	246,178
Travel	85,470	533	3,846	89,849
Employee Benefits	59,728	17,093	4,759	81,580
Payroll Taxes	45,206	2,792	3,929	51,927
Printing and Reproduction	36,398	488	1,845	38,731
Radio	38,160	-	-	38,160
Professional Fees: Accounting	-	28,430	-	28,430
Professional Fees: Other	22,999	3,243	208	26,450
Telephone and Internet	23,055	1,342	936	25,333
Dues and Subscriptions	14,747	772	4,262	19,781
Supplies	6,703	7,738	172	14,613
Postage and Delivery	10,142	459	1,025	11,626
Miscellaneous	4,679	5,883	101	10,663
Rent	6,677	289	338	7,304
Video	6,000	-	-	6,000
Professional Fees: Legal	4,994	417	-	5,411
Meetings and Conferences	3,546	-	-	3,546
Depreciation Expense	2,799	121	142	3,062
Taxes and Licenses	-	75	2,985	3,060
Donations and Gifts	2,768	250	-	3,018
Utilities	<u>1,673</u>	<u>67</u>	<u>79</u>	<u>1,819</u>
	<u>\$ 2,398,978</u>	<u>\$ 103,797</u>	<u>\$ 368,386</u>	<u>\$ 2,871,161</u>

See the accompanying Independent Auditors' Report and notes to the financial statements

COMMITTEE FOR A CONSTRUCTIVE TOMORROW
Notes to the Financial Statements
For the Years Ended December 31, 2011 and 2010

NOTE 1: ORGANIZATION AND PURPOSE

The Committee For A Constructive Tomorrow (“the Organization”) was organized in 1986 and is registered under the District of Columbia Not-for-Profit Corporation Act. The Organization conducts educational activities on a wide range of public policy issues, centered around the topics of environment and development.

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES

Method of accounting: The financial statements are presented on the accrual basis of accounting.

Use of estimates: The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities in the financial statements and reported amounts of revenues and expenses during the reporting period. Due to their prospective nature, actual results could differ from those estimates.

Public support and revenue recognition: Current unrestricted net assets are those funds presently available for use by the Organization at management’s discretion. All contributions with time or donor-imposed restrictions are recognized as temporarily or permanently restricted revenue that increases those net asset classes. When temporary restrictions are met, the contributions are transferred to unrestricted revenue. Donor restricted contributions whose restrictions are met in the same year are reported solely as unrestricted revenue. Contributions with no restrictions are recognized immediately as unrestricted revenue. There were no permanently restricted net assets as of December 31, 2011 or 2010.

Property and Equipment: The Organization capitalizes all property and equipment acquisitions in excess of \$250. Purchased property and equipment is capitalized at cost. Donations of property and equipment are recorded as support at their estimated fair value at the date of donation. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Property and equipment are depreciated using the straight-line method over their estimated useful lives. One-half year depreciation is taken during the year of acquisition and disposal. Equipment is depreciated over three to five years and furniture over five years. The Organization’s annual depreciation expense amounted to \$3,094 and \$3,062 for the years ended December 31, 2011 and 2010, respectively.

Functional Expenses: Expenses are charged directly to program, administrative, and fundraising in general categories based on specific identification. Indirect expenses have been allocated based on direct costs.

COMMITTEE FOR A CONSTRUCTIVE TOMORROW
Notes to the Financial Statements
For the Years Ended December 31, 2011 and 2010

NOTE 2: SIGNIFICANT ACCOUNTING POLICIES (continued)

Income Tax Status: The Organization is a not-for-profit organization that is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code. The Organization has also been classified as an entity that is not a private foundation within the meaning of Section 509(a) and qualifies for deductible contributions as provided in Section 170(b)(1)(A)(vi).

The Organization's Forms 990, Return of Organization Exempt from Income Tax, for the years ending 2009, 2010, and 2011 are subject to examination by the IRS, generally for three years after they were filed.

NOTE 3: TEMPORARILY RESTRICTED NET ASSETS

There were no temporarily restricted net assets at December 31, 2011.

At December 31, 2010, temporarily restricted net assets consist of \$6,000 restricted to certain program activities. These restrictions were met during the year ended December 31, 2011.

NOTE 4: RETIREMENT PLAN

Eligible employees may participate in an Internal Revenue Code section 403(b) retirement savings plan. The plan is funded solely by employee contributions to the plan. Full time employees and those who are part time who have worked over 2,000 hours in a calendar year are eligible.

NOTE 5: RELATED PARTY TRANSACTIONS

In 2011, the Organization paid Collegians for a Constructive Tomorrow, a sister organization, \$5,000 for rent. Additionally, the Organization paid CFACT-Europe, a sister organization, \$8,175 for travel costs and consulting services.

NOTE 6: SUBSEQUENT EVENTS

Management evaluated events and transactions that occurred after the statement of financial position date for potential recognition and disclosure through July 6, 2012, the date on which the financial statements were available to be issued.