

# REPAIR THE WORLD

*FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITORS' REPORT*

*FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009*

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**FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITORS' REPORT  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009  
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## INDEPENDENT AUDITORS' REPORT



To the Board of Directors  
Repair the World  
555 8<sup>th</sup> Avenue, Suite 1703  
New York, New York 10018

We have audited the accompanying statements of financial position for Repair the World ("Repair," a not-for-profit organization) as of December 31, 2010 and 2009 and the related statements of activities, functional expenses, and cash flows for the years then ended. These financial statements are the responsibility of Repair'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 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 Repair'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 Repair as of December 31, 2010 and 2009 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 (GAAP).

*Cerini & Associates LLP*

July 15, 2011  
Bohemia, New York

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STATEMENTS OF FINANCIAL POSITION  
AS OF

December 31, 2010

December 31, 2009

	Unrestricted	Temporarily Restricted	Total	Unrestricted	Temporarily Restricted	Total
<b>ASSETS</b>						
<b>Current Assets:</b>						
Cash and cash equivalents (Note 3).....	\$ 1,376,406	\$ -	\$ 1,376,406	\$ 756,939	\$ -	\$ 756,939
Grants and pledges receivable (Note 4).....	729,535	3,258,344	3,987,879	761,933	4,934,584	5,696,517
Prepaid expenses and other current assets.....	11,378	-	11,378	5,474	-	5,474
<b>TOTAL CURRENT ASSETS</b>	2,117,319	3,258,344	5,375,663	1,524,346	4,934,584	6,458,930
<b>Non - current Assets:</b>						
Property and equipment, net of accumulated depreciation (Note 5).....	34,127	-	34,127	14,899	-	14,899
Grants and pledges receivable, net of discount (Note 4).....	-	6,007,913	6,007,913	-	8,536,660	8,536,660
Security deposits.....	36,681	-	36,681	21,496	-	21,496
<b>TOTAL NON-CURRENT ASSETS</b>	70,808	6,007,913	6,078,721	36,395	8,536,660	8,573,055
<b>TOTAL ASSETS</b>	<u>\$ 2,188,127</u>	<u>\$ 9,266,257</u>	<u>\$ 11,454,384</u>	<u>\$ 1,560,741</u>	<u>\$ 13,471,244</u>	<u>\$ 15,031,985</u>
<b>LIABILITIES AND NET ASSETS</b>						
<b>Current Liabilities:</b>						
Accounts payable and accrued expenses.....	\$ 459,110	\$ -	\$ 459,110	\$ 65,384	\$ -	\$ 65,384
Deferred rent.....	1,161	-	1,161	-	-	-
Grants and programmatic investments payable.....	829,145	-	829,145	525,982	-	525,982
<b>TOTAL LIABILITIES</b>	1,289,416	-	1,289,416	591,366	-	591,366
<b>Net Assets:</b>						
Unrestricted .....	898,711	-	898,711	969,375	-	969,375
Temporarily restricted (Notes 4 and 7).....	-	9,266,257	9,266,257	-	13,471,244	13,471,244
<b>TOTAL NET ASSETS</b>	898,711	9,266,257	10,164,968	969,375	13,471,244	14,440,619
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>\$ 2,188,127</u>	<u>\$ 9,266,257</u>	<u>\$ 11,454,384</u>	<u>\$ 1,560,741</u>	<u>\$ 13,471,244</u>	<u>\$ 15,031,985</u>

STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED

December 31, 2010

December 31, 2009

	Unrestricted	Temporarily Restricted	Total	%	Unrestricted	Temporarily Restricted	Total	%
<b>SUPPORT AND OTHER INCOME</b>								
<b>Support:</b>								
Contributions.....	\$ 259,479	\$ 150,000	\$ 409,479	31.17%	\$ 304,505	\$ 176,250	\$ 480,755	6.45%
Foundation grants (Note 9).....	335,000	521,263	856,263	65.19%	1,546,744	5,411,084	6,957,828	93.33%
Donated services .....	39,240	-	39,240	2.99%	5,521	-	5,521	0.07%
<b>TOTAL SUPPORT</b>	<b>633,719</b>	<b>671,263</b>	<b>1,304,982</b>		<b>1,856,770</b>	<b>5,587,334</b>	<b>7,444,104</b>	
<b>Other:</b>								
Interest and miscellaneous income.....	8,569	-	8,569	0.65%	11,065	-	11,065	0.15%
Net assets released from restrictions (Note 9).....	4,876,250	(4,876,250)	-		2,328,280	(2,328,280)	-	
<b>TOTAL OTHER INCOME</b>	<b>4,884,819</b>	<b>(4,876,250)</b>	<b>8,569</b>		<b>2,339,345</b>	<b>(2,328,280)</b>	<b>11,065</b>	
<b>TOTAL SUPPORT AND OTHER INCOME</b>	<b>5,518,538</b>	<b>(4,204,987)</b>	<b>1,313,551</b>	<b>100%</b>	<b>4,196,115</b>	<b>3,259,054</b>	<b>7,455,169</b>	<b>100%</b>
<b>EXPENSES</b>								
Program services.....	4,825,990	-	4,825,990	86.34%	2,580,024	-	2,580,024	82.32%
General and administrative.....	375,195	-	375,195	6.71%	467,280	-	467,280	14.91%
Fund raising.....	388,018	-	388,018	6.94%	86,701	-	86,701	2.77%
<b>TOTAL EXPENSES</b>	<b>5,589,202</b>	<b>-</b>	<b>5,589,202</b>	<b>100%</b>	<b>3,134,005</b>	<b>-</b>	<b>3,134,005</b>	<b>100%</b>
<b>CHANGE IN NET ASSETS</b>	<b>(70,664)</b>	<b>(4,204,987)</b>	<b>(4,275,651)</b>		<b>1,062,110</b>	<b>3,259,054</b>	<b>4,321,164</b>	
Net assets, beginning of year (Note 9).....	969,375	13,471,244	14,440,619		(92,735)	10,212,190	10,119,455	
Net assets, end of year.....	<u>\$ 898,711</u>	<u>\$ 9,266,257</u>	<u>\$ 10,164,968</u>		<u>\$ 969,375</u>	<u>\$ 13,471,244</u>	<u>\$ 14,440,619</u>	

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Program Services (Note 1)			General and Administrative	Fund Raising	Total
	Field Building	Movement Building	Total			
Staff leasing (Note 6).....	\$ 326,463	\$ 349,811	\$ 676,274	\$ 209,472	\$ 305,853	\$ 1,191,599
Salaries.....	-	-	-	-	-	-
Payroll taxes and benefits.....	-	-	-	-	-	-
Programmatic investments (Note 2).....	2,627,600	382,580	3,010,180	-	-	3,010,180
Temporary help.....	-	-	-	26,244	-	26,244
Staff professional development.....	1,635	175	1,810	5,989	-	7,799
Research and evaluation.....	142,440	140,213	282,653	-	-	282,653
Grant-making advising.....	134,963	-	134,963	-	-	134,963
Structuring campus and other partnerships.....	-	152,418	152,418	-	-	152,418
Digital media.....	-	120,444	120,444	25	-	120,469
Other professional and consulting fees.....	59,726	118,488	178,214	69,061	34,612	281,887
Advertising and promotion.....	-	810	810	127	-	937
Occupancy.....	34,489	29,711	64,200	23,938	20,753	108,891
Dues and subscriptions.....	4,719	4,750	9,469	1,383	1,406	12,258
Insurance.....	1,779	1,533	3,312	223	1,071	4,606
Telecommunications.....	6,644	6,279	12,922	4,273	3,258	20,454
Travel.....	38,023	44,936	82,959	4,199	7,215	94,373
Supplies.....	12,946	18,359	31,306	1,160	7,624	40,090
Equipment rental.....	1,493	1,286	2,779	976	898	4,653
Conferences and meetings.....	11,999	20,157	32,156	20,615	1,560	54,331
Printing and reproduction.....	355	23,437	23,793	231	1,973	25,996
Depreciation expense.....	2,759	2,377	5,136	1,803	1,660	8,599
Miscellaneous.....	193	-	193	5,476	133	5,802
Disposal of fixed assets.....	-	-	-	-	-	-
<b>Total expenses</b>	<b>\$ 3,408,225</b>	<b>\$ 1,417,764</b>	<b>\$ 4,825,990</b>	<b>\$ 375,195</b>	<b>\$ 388,018</b>	<b>\$ 5,589,202</b>
<b>Percentage of total expenses</b>			86.34%	6.71%	6.94%	

**STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2009**

	Program Services (Note 1)			General and Administrative	Fund Raising	Total
	Field Building	Movement Building	Total			
Staff leasing (Note 6).....	\$ 88,754	\$ 79,291	\$ 168,045	\$ 123,225	\$ 40,737	\$ 332,007
Salaries.....	9,565	8,829	18,394	12,734	4,245	35,373
Payroll taxes and benefits.....	12,732	15,339	28,071	13,280	4,875	46,226
Programmatic investments (Note 2).....	2,051,700	-	2,051,700	-	-	2,051,700
Temporary help.....	8,370	4,570	12,940	70,422	13,089	96,451
Staff professional development.....	1,800	-	1,800	95	-	1,895
Research and evaluation.....	25,542	-	25,542	-	-	25,542
Grant-making advising.....	61,833	-	61,833	-	-	61,833
Structuring campus and other partnerships.....	-	121,303	121,303	-	-	121,303
Digital media.....	-	-	-	-	-	-
Other professional and consulting fees.....	270	3,029	3,299	166,824	7,069	177,192
Advertising and promotion.....	-	250	250	-	-	250
Occupancy.....	14,411	17,360	31,771	19,170	6,898	57,839
Dues and subscriptions.....	2,527	900	3,427	5,304	25	8,756
Insurance.....	-	567	567	5,111	-	5,678
Telecommunications.....	7,204	7,085	14,289	17,411	266	31,966
Travel.....	169	4,499	4,668	4,336	6,269	15,273
Supplies.....	10,205	10,955	21,160	11,941	2,721	35,822
Equipment rental.....	1,151	1,387	2,538	1,201	441	4,180
Conferences and meetings.....	739	4,220	4,959	9,815	66	14,840
Printing and reproduction.....	-	-	-	122	-	122
Depreciation expense.....	-	-	-	1,750	-	1,750
Miscellaneous.....	3,308	160	3,468	2,581	-	6,049
Disposal of fixed assets.....	-	-	-	1,958	-	1,958
<b>Total expenses</b>	<b>\$ 2,300,280</b>	<b>\$ 279,744</b>	<b>\$ 2,580,024</b>	<b>\$ 467,280</b>	<b>\$ 86,701</b>	<b>\$ 3,134,005</b>
<b>Percentage of total expenses</b>			82.32%	14.91%	2.77%	

**STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED DECEMBER 31,**

	2010	2009
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in net assets (Note 9).....	\$ (4,275,651)	\$ 4,321,164
<b>Adjustments to reconcile change in net assets to net cash provided by/ (used in) operating activities:</b>		
Depreciation expense.....	8,599	1,750
Discounts on grants receivable (Note 4).....	92,077	463,340
<b>Changes in operating assets and liabilities:</b>		
<b>(Increase)/ decrease in operating assets:</b>		
Receivables (Note 9).....	4,145,308	(5,462,707)
Prepaid expenses .....	(5,904)	(4,862)
Security deposits.....	(15,185)	(21,496)
<b>Increase/(decrease) in operating liabilities:</b>		
Accounts payable and accrued expenses.....	393,726	12,712
Grants and programmatic investments payable.....	303,163	525,982
Deferred rent.....	1,161	-
<b>Net Cash Provided by/ (Used in) Operating Activities</b>	<u>647,294</u>	<u>(164,117)</u>
<b>CASH FLOWS USED IN INVESTING ACTIVITIES</b>		
Purchases of fixed assets.....	<u>(27,827)</u>	<u>(14,562)</u>
Net change in cash and cash equivalents.....	619,467	(178,679)
Cash and cash equivalents, beginning of year.....	<u>756,939</u>	<u>935,618</u>
Cash and cash equivalents, end of year.....	<u>\$ 1,376,406</u>	<u>\$ 756,939</u>

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

This summary of significant accounting policies of Repair the World (hereafter the "Organization" or "Repair") is presented to assist in understanding the Organization's financial statements. The financial statements and notes are representations of the Organization's management, which is responsible for the integrity and objectivity of the financial statements. These accounting policies conform to GAAP and have been consistently applied in the preparation of the financial statements.

Organization: Repair's mission is to make service a defining element of Jewish life, learning, and leadership. Repair works to mobilize Jews of all ages and backgrounds to serve their communities in meaningful ways that have both short and long-term impact. Repair works with existing and emerging organizations, Jewish and secular, and with American Jews who are engaged in their communities as well as those who are not. The Organization supports high-quality service opportunities through grant-making, research and evaluation, and collaboration and innovation; connects young Jews to opportunities for meaningful and authentic service, addressing pressing needs in the United States, Israel, and around the world; promotes short and long-term community impact as a measure of success; and inspires and mobilizes Jews of all ages and backgrounds through their communities, campuses and social networks. In this way, Repair works toward its vision of an inspired Jewish community fully engaged in, and committed to, repairing the world.

After a period of significant transition, in 2009 the Board changed the organization's name, updated its mission and hired the first staff to start halfway through the year. In the second half of 2009 and in 2010, programs dramatically increased as demonstrated by the higher expenses reflected in the Statements of Activities.

Income Tax Status:

Repair is exempt from federal income tax under section 501(c)(3) of the Internal Revenue Code and is publicly supported as described in section 509(a).

Repair has adopted the recognition requirements for uncertain tax positions as required by GAAP, with no cumulative effect adjustment required. Tax benefits are recognized for tax positions taken or expected to be taken in a tax and information return only when it is determined that the tax position will more-likely-than-not be sustained upon examination by taxing authorities. Repair has analyzed tax positions taken for filings with the Internal Revenue Service and all state jurisdictions where it operates. Repair's analysis demonstrates that tax filing positions will be sustained upon examination and does not anticipate any adjustments that would result in a material adverse effect on Repair's financial condition, results of operations or cash flows. Accordingly, Repair has not recorded any reserves, or related accruals for interest and penalties, for uncertain tax positions at December 31, 2010.

Tax returns for the years ended December 31, 2007, 2008, 2009, and 2010 are open for examination by federal, state and local authorities. Repair's management has registered in all states in which it is required to be registered.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Basis of Presentation: The financial statements of Repair have been prepared on the accrual basis of accounting in accordance with GAAP. Revenue is recognized when earned and expenses are recorded when incurred. Repair is required to report information regarding its financial position and activities according to three classes of net assets, as follows:

Unrestricted net assets - Net assets that are not subject to donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed stipulations or other stipulations that may or will be met, either by action of the Organization and/or the passage of time. Temporarily restricted net assets are reclassified annually to unrestricted net assets and reported in the combined statement of activities as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to stipulations that they be permanently maintained. Repair had no permanently restricted net assets as of December 31, 2010 and 2009.

Cash and Cash Equivalents: For the purposes of the statements of cash flows and statements of financial position, Repair considers financial instruments with a maturity of three months or less to be cash equivalents.

Property, Equipment and Leasehold Improvements: Repair's policy for capitalization is limited to goods purchased for \$500 or more with an estimated useful life of at least three years. Depreciation of property, equipment and leasehold improvements is calculated on a monthly basis over the estimated useful lives of the respective assets using the straight-line method.

Expense Allocation: The costs of providing the various programs and other supporting activities have been summarized on a functional basis in the statements of activities and in the statements of functional expenses. Overhead costs have been allocated among the programs and supporting services benefited.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Expense allocation (continued):

In 2010, the program services include the following:

Building the Field of Immersive Jewish Service Learning - Jewish service-learning is a powerful program model in which participants combine authentic volunteer service, learning, and reflection in ways that strengthen their commitments to civic engagement and social change while providing a deep Jewish context for that commitment.

Building a Movement of Jews Committed to Service - Repair the World creates the infrastructure to connect individuals to authentic and meaningful Jewish service opportunities; inspire Jews of all ages and backgrounds to serve; support service entrepreneurs and leaders; and advance the value, accessibility and impact of Jewish service. The organization creates capacity and commitment in Jewish organizations by supporting new programs, connecting practitioners, and disseminating best practices.

Donated Assets: Donated marketable securities and other non-cash donations, if any, are recorded at the underlying asset's fair market value at the date of the donation.

Contributed Use of Facilities and Services: During 2010, Repair received donations of software, legal services, office space and donor cultivation events as included in the statement of activities. During 2009, Repair sited its offices in donated space for approximately ten weeks. The value of the donated office space amounted to \$6,000 and \$5,521 during the years ended December 31, 2010 and 2009, respectively. The value of the donated space is included in the occupancy expense within the statements of activities.

Repair pays for most services requiring specific expertise. However, several individuals volunteer their time and perform a variety of tasks that assist Repair with specific programs, donor solicitations, and various committee and professional assignments. In addition, volunteers serve under Repair's auspices towards fulfillment of our mission. These amounts have not been reflected in the statements of activities because the criteria for recognition have not been satisfied.

Contributions: Contributions received are recorded as unrestricted, temporarily restricted, or permanently restricted support depending on the existence and/or nature of donor restrictions. Contributions are recognized when the donor makes a promise to give to Repair that is, in substance, unconditional. Contributions that are restricted by the donor are considered as increases in unrestricted net assets if the restrictions are satisfied in the fiscal year in which the contributions are recognized. All other donor-restricted contributions are reported as increases in temporarily restricted net assets. Temporarily restricted net assets are reclassified annually to unrestricted net assets.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Contributions (continued): Property and equipment donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire property and equipment are reported as increases in temporarily restricted net assets. Absent donor restrictions regarding how long those donated assets must be maintained, Repair reports satisfactions of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor.

Use of Estimates: The preparation of financial statements in conformity with GAAP 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.

Events Occurring After the Report Date: The Organization has evaluated events and transactions that occurred between January 1, 2011 and July 15, 2011, which is the date that the financial statements were available to be issued, for possible disclosure and recognition in the 2010 financial statements.

**NOTE 2 - PROGRAMMATIC INVESTMENTS**

Investing in like-minded organizations to strengthen and deepen service and service-learning programming furthers the organization's mission. In 2010, Repair committed \$3.0 million in programmatic investments through both grants and contracts.

Repair's grant-making program enables immersive Jewish service-learning programs to provide opportunities for approximately 3,000 young Jewish adults from diverse sectarian and cultural backgrounds to participate in service-learning programs around the world.

In 2010, Repair granted out approximately \$2.6 million to help sustain the following grantee-partners:

- Adamah ~ Medium-term service-learning
- Agahozo Shalom Youth Village ~ Alternative Breaks
- American Jewish Joint Distribution Committee ~ Short-term Service and Jewish Service Corps
- American Jewish World Service ~ Alternative Breaks, Volunteer Summer and World Partner Fellows
- AVODAH: The Jewish Service Corps ~ Long-term service-learning
- B'Tzedek -LIFE ~ Large-term service-learning
- Hillel: The Foundation for Jewish Campus Life ~ Alternative Breaks
- Jewish Farm School ~ Organic Farming Alternative Breaks
- Jewish Funds For Justice ~ Alternative Breaks
- Jewish National Fund ~ Alternative Breaks
- Jewish Organizing Initiative ~ Fellowship Program

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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**NOTE 2 - PROGRAMMATIC INVESTMENTS (continued)**

- Ma'ase -Seeds of Hope ~ Long-term service-learning
- OTZMA ~ Long-term service-learning
- Tevel b'Tzedek ~ Medium-term service-learning
- Tikun Olam Tel Aviv-Jaffa ~ Long-term service-learning
- Uri L'Tzedek ~ Summer Fellowship
- Yahel ~ Long-term service-learning
- Yeshiva University Center for the Jewish Future ~ Student Service Corps

Additionally, Repair committed \$382,000 to cultivate greater and deeper participation in service and service-learning through initiatives including:

- Berkeley Hillel
- Bronfman Youth Fellowships in Israel
- Global Citizen Year
- Group Leaders Training Institute
- HandsOn Network
- Hazon
- Hillel at the University of Washington
- Jconnect
- Jewish Disaster Response Corps
- Ma'aseh: A Center for Jewish Social Justice Education
- Maryland Hillel
- Moishe House
- Nechama
- Penn Hillel
- Tufts Hillel
- UCLA Hillel
- University of Washington
- Will Work for Food

**NOTE 3 - CASH AND CASH EQUIVALENTS**

Cash and cash equivalents as of December 31, 2010 and 2009 consist of the following:

	<b>2010</b>	<b>2009</b>
Cash in checking .....	\$ 570,546	\$ 579,514
Cash in savings.....	805,860	177,425
Total cash and cash equivalents.....	<u>\$ 1,376,406</u>	<u>\$ 756,939</u>

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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**NOTE 4 - GRANTS AND PLEDGES RECEIVABLE**

Grants and pledges receivable include unconditional promises to give that are due within one to three years. Promises to give to be received subsequent to one year are discounted to reflect net present value at the current three-year Treasury-bill rate. At December 31, 2010 the rate was 1.02%. No allowance for doubtful accounts was deemed necessary.

At December 31, 2010, Repair had outstanding grants and pledges receivable scheduled for payment as follows:

Current grants and pledges receivable.....	\$ 3,987,869
Non-current grants and pledges receivable:	
2012 .....	3,050,000
2013 .....	<u>3,050,000</u>
	6,100,000
Less: discount to net present value .....	<u>(92,077)</u>
Non-current grants and pledges receivable.....	<u>6,007,923</u>
Total grants and pledges receivable.....	<u>\$ 9,995,792</u>

**NOTE 5 - PROPERTY AND EQUIPMENT**

Property and equipment as of December 31, 2010 and 2009 consist of the following:

	<u>2010</u>	<u>2009</u>
Furniture and fixtures.....	\$ 30,726	\$ 7,184
Computer equipment.....	27,204	22,919
	57,930	30,103
Less: accumulated depreciation.....	<u>(23,803)</u>	<u>(15,204)</u>
Net property and equipment.....	<u>\$ 34,127</u>	<u>\$ 14,899</u>

Depreciation expense for the years ended December 31, 2010 and 2009 totaled \$8,599 and \$1,750, respectively.

**NOTE 6 - LEASED EMPLOYEES**

Repair has a year-to-year contract with Insperity, Inc. ("Insperity" formerly "Administaff"), a professional employer organization for leased employees. Insperity provides comprehensive human resource services to Repair and is responsible for personnel, administrative and benefits management functions, as well as payroll processing. Since Insperity is the employer of record for all employees assigned to Repair, employees are included in the Insperity quarterly Internal

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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**NOTE 6 - LEASED EMPLOYEES (continued)**

Revenue Service Form 941, New York State Form NYS-45, and statutory New York State disability filings, as well as workers' compensation.

**NOTE 7 - TEMPORARILY RESTRICTED NET ASSETS**

In accordance with Repair's policy, donor-restricted grants whose restrictions are met in the same reporting period are reported as unrestricted support. During 2010 and 2009, Repair received \$450,000 and \$1,786,933, respectively in grants and contributions whose restrictions had been met within the year and have been reflected as unrestricted in the accompanying statements of activities. A total of \$9,266,257 and \$13,471,244 of Repair's net assets were temporarily restricted as of December 31, 2010 and 2009, respectively. Net assets as of December 31, 2010 and 2009, (net of discount of \$92,077 and \$463,340, respectively, as illustrated in Note 4) are temporarily restricted for the following purposes:

	<u>2010</u>	<u>2009</u>
Time restricted for operations and general purpose.....	\$ 4,464,559	\$ 7,410,638
Pedagogy.....	150,000	-
Digital media.....	-	100,000
Grant-making.....	1,681,887	2,115,054
Alternative breaks.....	2,969,811	3,845,552
Total.....	<u>\$ 9,266,257</u>	<u>\$ 13,471,244</u>

**NOTE 8 - LEASING ARRANGEMENTS**

During 2010, Repair amended the terms of the lease agreement for the office space in New York City. The term of the lease was extended through September 30, 2013 and requires monthly rental payment of \$9,067 as of December 31, 2010, with an annual escalation of approximately 3%.

The future minimum rental commitments under this lease agreement are as follows for the years ending December 31,:

2011 .....	\$ 109,897
2012 .....	113,197
2013 .....	<u>86,867</u>
Total.....	<u>\$ 309,961</u>

In addition, during 2010 Repair entered into a month-to-month lease agreement for an office space in Seattle. In accordance with the agreement, rent is payable at a rate of \$2,000 per month - Repair is responsible to pay half of the expense and the remaining is considered in-kind contributions. The value of the donated rent for the year ended December 31, 2010 was \$6,000. This has been included in contributions as in-kind revenue and general and administrative expense in the accompanying statements of activities and functional expenses.

**NOTES TO FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2010 AND 2009**

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**NOTE 9 - 2010 OPERATIONS**

In 2008 and 2009, the organization received multi-year commitments to benefit future years including three five-year grants and two two-year grants. Per GAAP revenue recognition requirements, the gifts are considered income in the year that the commitment was made, categorized as restricted net assets, and then released from restriction for the year the funds are intended to cover.

For the years ended December 31, 2008, 2009, and 2010, net assets were \$10,119,455, \$14,440,619, and \$10,164,968 respectively due to the planned spending of these multi-year grants received during the organization's transition.