

**ALTERNATIVES FOR COMMUNITY
& ENVIRONMENT, INC.**

Financial Statements

and

Auditors' Report

June 30, 2010 with Comparative Totals for 2009



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Alternatives for Community & Environment, Inc.

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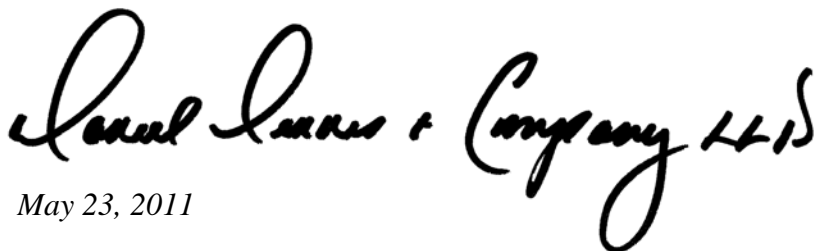
To the Board of Directors of
**Alternatives for Community &
Environment, Inc.**

Independent Auditors' Report

We have audited the accompanying statement of financial position of Alternatives for Community & Environment, Inc. (ACE) as of June 30, 2010 and the related statements of activities, functional expenses, and cash flows for the year then ended. These financial statements are the responsibility of ACE's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from ACE's 2009 financial statements and, in our report dated March 10, 2010, we expressed an unqualified opinion on those financial statements.

We conducted our audit 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 the ACE'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 audit provides 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 Alternatives for Community & Environment, Inc. as of June 30, 2010, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.



Daniel Dennis & Company LLP

May 23, 2011

Alternatives for Community & Environment, Inc.
Statement of Financial Position
June 30, 2010 with Comparative Totals for 2009

	<i>2010</i>	<i>2009</i>
<i>Assets</i>		
<i>Current Assets:</i>		
Cash and cash equivalents	\$ 484,139	\$ 635,259
Cash held for specific organizations	53,576	70,076
Promises to give, net	95,206	42,240
Accounts receivable	-	1,584
Investments	411,827	389,868
Prepaid expenses	<u>14,104</u>	<u>14,104</u>
Total current assets	<u>1,058,852</u>	<u>1,153,131</u>
<i>Fixed Assets:</i>		
Office equipment	86,778	85,363
Accumulated depreciation	<u>(71,896)</u>	<u>(66,651)</u>
Net fixed assets	<u>14,882</u>	<u>18,712</u>
<i>Other Assets:</i>		
Security deposit	<u>10,000</u>	<u>10,000</u>
Total assets	<u>\$ 1,083,734</u>	<u>\$ 1,181,843</u>
<i>Liabilities and Net Assets</i>		
<i>Current Liabilities:</i>		
Accounts payable	\$ 29,875	\$ 6,931
Accrued expenses	32,563	36,275
Designated by donor for specific organizations	53,576	70,076
Capital lease obligation, current portion	3,516	2,874
Deferred revenue	<u>-</u>	<u>2,770</u>
Total current liabilities	<u>119,530</u>	<u>118,926</u>
<i>Long Term Liabilities:</i>		
Capital lease obligation	<u>7,751</u>	<u>11,267</u>
Total liabilities	<u>127,281</u>	<u>130,193</u>
<i>Net Assets:</i>		
Unrestricted		
Board designated contingency reserve	298,891	279,896
Fixed assets	3,615	4,571
Operating	<u>555,931</u>	<u>716,183</u>
Total unrestricted net assets	858,437	1,000,650
Temporarily restricted	<u>98,016</u>	<u>51,000</u>
Total net assets	<u>956,453</u>	<u>1,051,650</u>
Total liabilities and net assets	<u>\$ 1,083,734</u>	<u>\$ 1,181,843</u>

See accompanying notes to financial statements.

Alternatives for Community & Environment, Inc.
Statement of Activities
For the Year Ended June 30, 2010 with Comparative Totals for 2009

	2010	2009
<i>Changes in Unrestricted Net Assets:</i>		
<i>Revenue and Support:</i>		
Government grants and contracts	\$ 226,409	\$ 95,803
Foundation grants and contributions	758,958	1,141,387
Fees	5,416	7,391
Interest	10,078	24,893
Unrealized gain (loss) on investments	14,380	(18,918)
Other income	85	-
Net assets released from restrictions	<u>51,000</u>	<u>156,500</u>
Total unrestricted revenue and support	<u>1,066,326</u>	<u>1,407,056</u>
<i>Expenses:</i>		
<i>Programs:</i>		
Roxbury Environmental Empowerment Project	193,083	214,661
Services to Allies	204,728	205,243
Dudley Square Organizing Project	191,224	199,038
Action	-	68,531
T Riders Union	187,340	154,229
Fiscal Sponsorship	<u>138,547</u>	<u>107,656</u>
Total programs	<u>914,922</u>	<u>949,358</u>
<i>Supporting services:</i>		
General and administrative	123,223	85,446
Fundraising	<u>170,394</u>	<u>163,543</u>
Total supporting services	<u>293,617</u>	<u>248,989</u>
Total expenses	<u>1,208,539</u>	<u>1,198,347</u>
Change in unrestricted net assets	<u>(142,213)</u>	<u>208,709</u>
<i>Changes in Temporarily Restricted Net Assets:</i>		
Foundation grants and contributions	98,016	51,000
Net assets released from restrictions	<u>(51,000)</u>	<u>(156,500)</u>
Change in temporarily restricted net assets	<u>47,016</u>	<u>(105,500)</u>
Change in net assets	(95,197)	103,209
Net assets, beginning of year	<u>1,051,650</u>	<u>948,441</u>
Net assets, end of year	<u>\$ 956,453</u>	<u>\$ 1,051,650</u>

See accompanying notes to financial statements.

Alternatives for Community & Environment, Inc.
Statement of Functional Expenses
For the Year Ended June 30, 2010 with Summarized Comparative Totals for 2009

<i>Description</i>	<i>Program Services</i>					<i>Supporting Services</i>		<i>2010 Total</i>	<i>2009 Total</i>
	<i>Roxbury Environmental Empowerment Project</i>	<i>Services to Allies</i>	<i>Dudley Square Organizing Project</i>	<i>T-Riders Union</i>	<i>Fiscal Sponsorship</i>	<i>General and Administrative</i>	<i>Fund Raising</i>		
Payroll and related expenses	\$ 137,543	\$ 146,874	\$ 128,671	\$ 136,225	\$ 11,605	\$ 59,532	\$ 126,660	\$ 747,110	\$ 840,986
Consultants	4,025	24,646	13,834	11,595	2,875	35,790	393	93,158	62,140
Payroll service	458	528	504	488	-	338	364	2,680	2,912
Rent	10,979	12,649	12,071	11,686	-	8,090	8,732	64,207	63,263
Postage and delivery	464	540	812	995	143	163	2,485	5,602	4,930
Telephone and fax	1,241	1,428	1,363	1,320	6	914	987	7,259	6,263
Printing and copying	4,266	2,586	7,002	3,998	1,691	1,505	9,563	30,611	10,099
Office supplies	2,782	1,739	1,811	1,979	894	1,006	1,689	11,900	11,375
Travel and transportation	7,921	2,223	5,042	5,228	65,572	3,652	1,428	91,066	8,648
Membership dues	1,194	1,282	785	684	310	1,340	1,245	6,840	5,895
Staff development	24	25	647	128	17	15	198	1,054	1,034
Publications and library	48	784	8	7	6	5	7	865	2,150
Insurance	9,183	2,279	122	119	88	2,855	108	14,754	5,581
Utilities	2,784	3,208	3,061	2,963	-	2,052	2,214	16,282	13,125
In-kind expense	1,627	1,724	1,610	1,578	1,167	1,038	1,435	10,179	373
Events	7,663	1,278	4,008	7,492	225	1,614	12,108	34,388	39,237
Miscellaneous	43	46	43	42	31	63	38	306	392
Grants	-	-	9,000	-	53,316	-	-	62,316	115,490
Bad debt expense	-	-	-	-	-	2,075	-	2,075	-
Interest expense	-	-	-	-	-	642	-	642	309
Depreciation	838	889	830	813	601	534	740	5,245	4,145
Total	\$ 193,083	\$ 204,728	\$ 191,224	\$ 187,340	\$ 138,547	\$ 123,223	\$ 170,394	\$ 1,208,539	\$ 1,198,347

See accompanying notes to financial statements.

Alternatives for Community & Environment, Inc.
Statement of Cash Flows
For the Year Ended June 30, 2010 with Comparative Totals for 2009

	2010	2009
<i>Cash Flows From Operating Activities</i>		
Change in net assets	\$ (95,197)	\$ 103,209
Adjustment to reconcile change in net assets to net cash provided by (used in) operating activities:		
Depreciation	5,245	4,145
Bad debt expense	2,075	-
Net unrealized (gain) loss on investments	(14,380)	18,918
(Increase)/decrease in operating assets:		
Cash held for specific organizations	16,500	(54,776)
Promises to give	(55,041)	109,340
Accounts receivable	1,584	32,746
Prepaid expenses	-	(2,020)
Increase/(decrease) in operating liabilities:		
Accounts payable	22,944	(25,646)
Accrued expenses	(3,712)	1,227
Designated by donor for specific organizations	(16,500)	54,776
Deferred revenue	<u>(2,770)</u>	<u>2,770</u>
Net cash (used in) provided by operating activities	<u>(139,252)</u>	<u>244,689</u>
<i>Cash Flows From Investing Activities</i>		
Fixed asset purchases	(1,415)	(1,995)
Investment purchases	(680,995)	(572,060)
Proceeds from sales of investments	<u>673,416</u>	<u>551,650</u>
Net cash used in investing activities	<u>(8,994)</u>	<u>(22,405)</u>
<i>Cash Flows From Financing Activities</i>		
Principal payments on capital lease obligation	<u>(2,874)</u>	<u>(1,449)</u>
Net cash used in financing activities	<u>(2,874)</u>	<u>(1,449)</u>
Net (decrease) increase in cash and cash equivalents	(151,120)	220,835
Cash and cash equivalents at beginning of year	<u>635,259</u>	<u>414,424</u>
Cash and cash equivalents at end of year	<u>\$ 484,139</u>	<u>\$ 635,259</u>
Supplemental Information:		
Noncash Investing Activity:		
Fixed assets financed with capital lease	<u>\$ -</u>	<u>\$ 15,590</u>

Alternatives for Community & Environment, Inc.

Notes to Financial Statements

June 30, 2010 and 2009

1. Organization

An alternative for Community & Environment, Inc. (ACE), a Massachusetts non-profit corporation, is based in Roxbury, Massachusetts. ACE builds the power of communities of color and lower income communities to eradicate environmental racism and classism and achieve environmental justice. ACE believes everyone has the right to a healthy environment and to be decision-makers on issues affecting their communities. ACE is a membership-driven organization, but also provides services to partner groups in its region. ACE's current programs include:

Roxbury Environmental Empowerment Project – ACE develops environmental justice leadership among youth in its home neighborhood through an environmental justice curriculum, leadership program, and youth-led organizing projects.

Services to Allies – ACE provides an integrated set of services (legal and technical assistance, networking, and capacity building) to groups working on environmental justice in its region. As part of this program, ACE coordinates the *Massachusetts Environmental Justice Assistance Network*, a network of more than 100 attorneys, public health professionals, and environmental consultants, who provide pro bono assistance to groups throughout the state. ACE also coordinates the Massachusetts Environmental Justice Alliance. This emerging coalition has pulled together community and environmental groups, activists, health professionals, academic researchers, and ordinary people to help push forward an environmental justice agenda.

Dudley Square Organizing Project (formerly “Membership”) – ACE supports the organizing and leadership development activities of its members in its home neighborhood, Dudley Square, Roxbury, for sustainable, green and just development. As part of this work, ACE participates in the Green Justice Coalition, a statewide partnership of community groups, labor unions, environmental organizations, and other allied organizations to build a broad-based constituency in support of a sustainable, equitable, and clean energy economy in Massachusetts. ACE also partners with its Boston partners in the Right to the City Alliance in order to move forward a social justice agenda grounded in the Right to the City framework.

Action – ACE served as the coordinator for the *Action for Regional Equity Coalition*. This coalition addressed disparities in affordable housing, transportation investment and environmental justice. This Coalition ended in 2009.

T Riders Union – ACE brings transit riders together to advocate for first class service. As part of this work, ACE participates in the On the Move Coalition, which unites community and environmental groups to advocate for regional transportation justice.

Fiscal Sponsorship – ACE serves as a fiscal agent to a variety of organizations whose missions are consistent with ACE's and are either unincorporated and/or do not have IRS tax exempt status. For those assets to which ACE has variance power (unilateral power to redirect the use of transferred assets to another beneficiary) and ultimate responsibility for program compliance, the related activity is recorded as an ACE program.

Alternatives for Community & Environment, Inc.

Notes to Financial Statements - *Continued*

June 30, 2010 and 2009

1. *Organization – Continued*

ACE's programs are funded primarily by government and foundation grants, and contributions from the general public.

2. *Summary of Significant Accounting Policies*

Basis of Accounting

ACE prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

Net Assets Classification

ACE's net assets are classified into three categories. The classifications are related to the existence or absence of donor-imposed restrictions as follows:

- *Unrestricted Net Assets* - net assets that are available for support of operations and not subject to donor-imposed stipulations.
- *Temporarily Restricted Net Assets* - assets whose use is limited by either donor-imposed time restrictions or purpose restrictions.
- *Permanently Restricted Net Assets* – assets that must be maintained in perpetuity. At June 30, 2010 ACE had no permanently restricted net assets.

Cash Equivalents

ACE considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents.

Foundation Grants and Contributions

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

ACE uses the allowance method to determine uncollectible unconditional promises receivable. The allowance is based on prior years' experience and management's analysis of specific promises made. At June 30, 2010 and 2009, the outstanding promises to give were fully collectible.

Alternatives for Community & Environment, Inc.

Notes to Financial Statements - *Continued*

June 30, 2010 and 2009

2. *Summary of Significant Accounting Policies – Continued*

Accounts Receivable

Accounts receivable are presented net of the allowance for doubtful accounts. ACE's periodic evaluation of the adequacy of the allowance is based on its past loss experience. Accounts receivables are charged off when they are over 90 days past due. At June 30, 2010 and 2009, the outstanding accounts were fully collectible.

Fair Value Measurement

The Financial Accounting Standards Board (FASB) established a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

- Level 1 Inputs – Quoted prices for identical assets or liabilities in active markets;
- Level 2 Inputs – Quoted prices for similar assets and liabilities in active markets; quoted prices for identical or similar assets in inactive markets; or inputs other than quoted prices that are observable, such as models or other valuation methodologies; and
- Level 3 Inputs – Unobservable inputs for where there is little, if any, market activity.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement.

Investments and Investment Income

Investments are carried at fair market value based on quoted market prices, in accordance with the framework for fair value measurements established by FASB. Investment income and gains and losses on investments are reported as increases or decreases in unrestricted net assets unless a donor or law temporarily or permanently restricts their use.

Designated by Donor for Specific Organizations

Designated by donor for specific organizations represents assets accepted by ACE that it agrees to use on the behalf of or transfer to another organization. ACE does not have the unilateral power to redirect the use or transfer the assets to another beneficiary. Cash balances being held for donor specified organizations totaled \$53,576 and \$70,076, respectively, at June 30, 2010 and 2009.

Alternatives for Community & Environment, Inc.

Notes to Financial Statements - *Continued*

June 30, 2010 and 2009

2. *Summary of Significant Accounting Policies – Continued*

Fixed Assets

Donations of fixed assets are recorded as support at their estimated fair value. Such donations are reported as unrestricted support unless the donor has restricted the donated asset to a specific purpose. Assets donated with explicit restrictions regarding their use and contributions of cash that must be used to acquire fixed assets are reported as restricted support. Absent donor stipulations regarding how long those donated assets must be maintained, ACE reports expirations of donor restrictions when the donated or acquired assets are placed in service as instructed by the donor. ACE reclassifies temporarily restricted net assets to unrestricted net assets at that time. Purchased fixed assets are carried at cost. Repairs and maintenance are charged to operations. Betterments, renewals and purchases of more than \$500 are capitalized. Fixed assets are depreciated using the straight-line method.

Depreciation expense for the years ended June 30, 2010 and 2009 was \$5,245 and \$4,145, respectively.

Income Taxes

ACE is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is exempt from state income taxes under Chapter 180 of the Massachusetts General Laws, except for unrelated business income which would be subject to federal and state income taxes. Unrelated business income generated from ACE's investment in a real estate investment trust did not generate a tax liability for the years ended June 30, 2010 and 2009. Consequently, the accompanying financial statements do not reflect any provisions for income taxes.

ACE evaluates tax positions taken or expected to be taken in its tax returns to determine whether the tax positions are *more-likely-than-not* to be sustained by the applicable federal and state authority. Tax positions not deemed to meet the *more-likely-than-not* threshold, along with accrued interest and penalties thereon, are recorded as an expense in the current year financial statements. ACE has evaluated the tax positions taken in its previously filed returns and those expected to be taken in its 2010 returns and believe they are *more-likely-than-not* to be sustained if examined by federal or state tax authorities. ACE's 2003 through 2009 tax years remain subject to examination by federal and state tax authorities.

Donated Services

ACE receives donated services in support of its administrative and programmatic functions. Donated services are recorded at fair value. Donated services that (a) create or enhance a nonfinancial asset or (b) require specialized skills, are provided by entities or persons possessing those skills, and would need to be purchased if they were not donated are recorded as contributions in the financial statements. Donated services not requiring specialized skills are not recorded in the financial statements.

Alternatives for Community & Environment, Inc.
Notes to Financial Statements - *Continued*
June 30, 2010 and 2009

2. *Summary of Significant Accounting Policies – Continued*

Donated Services - Continued

During 2010 and 2009, ACE received donated legal staffing services valued at \$10,180 and \$18,483, respectively, in support of its programmatic function. This contribution is recognized in the statement of activities.

Functional Allocation of Expenses

The costs of providing the various programs and activities have been summarized on a functional basis in the statement of activities. Accordingly, costs have been allocated among the programs and services benefited.

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 expenditures during the reporting period. Actual results could differ from those estimates.

Summarized Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with ACE's financial statements for the year ended June 30, 2009, from which the summarized information was derived.

3. *Retirement Plan*

ACE has a 401k defined contribution plan (the Plan) covering all eligible employees. ACE makes a contribution to the Plan each year equal to 5% of each individual participant's compensation. Participants vest after three years of service, at which time; they earn a nonforfeitable right to the contributions made on their behalf by ACE. ACE's contribution for the years ended June 30, 2010 and 2009, was \$31,941 and \$24,640, respectively.

Alternatives for Community & Environment, Inc.
Notes to Financial Statements - *Continued*
June 30, 2010 and 2009

4. Lease Commitments

Operating Lease

ACE leases office space under a non-cancelable operating lease that expires in March 2014. Rent expense for the years ended June 30, 2010 and 2009 was \$64,207 and \$63,263, respectively.

Future minimum lease payments are as follows:

Year Ending June 30		
2011	\$	65,165
2012	\$	66,620
2013	\$	67,119
2014	\$	51,464

Capital Lease

ACE leases a copier under a capital lease that expires in December 2013. The copier is being amortized over its estimated productive life. Amortization of the copier is recorded in depreciation expense. The value of the asset and the related accumulated depreciation on the statement of financial position was \$15,590 and \$4,677, respectively, at June 30, 2010.

Future minimum lease payments are as follows:

Year Ending June 30		
2011	\$	3,516
2012		3,516
2013		3,516
2014		1,361
Total minimum lease payments		11,909
Less amount representing interest		<u>642</u>
Present value of minimum lease payments	\$	<u><u>11,267</u></u>

Alternatives for Community & Environment, Inc.
Notes to Financial Statements - *Continued*
June 30, 2010 and 2009

5. Promises to Give

Unconditional

At June 30, 2010 and 2009, unconditional promises to give totaled \$95,206 and \$42,240, respectively, and were all due within one year.

Conditional

During 2010 ACE received a two-year promise to give totaling \$111,094 from The Barr Foundation to support the Mystic River Watershed Collaborative project under its Services to Allies program. ACE received the first payment of \$55,547 in 2010. The second payment of \$55,547 is conditioned upon a review of a progress report detailing fiscal activity and accomplishments measured against the intended outcomes outlined in the grant proposal.

During 2009 ACE received the following conditional promises to give:

<i>Donor</i>	<i>Purpose</i>	<i>Amount</i>
The Hyams Foundation	General operations	\$ 30,000
Robert Wood Johnson Foundation	Fiscal Sponsorship	<u>100,000</u>
	Total conditional promises to give	<u>\$ 130,000</u>

The Hyams Foundation promise for general operations funding was conditioned upon a review of the grant report and the assessment of the progress and achievements of ACE's operations. During 2010, the \$30,000 was received and recorded as support. The Robert Wood Johnson Foundation promise for a Fiscal Sponsorship program member was conditioned upon the receipt of certain financial reports required under the grant agreement. \$50,000 was received and recorded as support in 2010 and the remaining \$50,000 was received and recorded as support in 2011.

6. Temporarily Restricted Net Assets

At June 30, 2010 and 2009, temporarily restricted net assets were restricted for the following purposes:

<i>Programs and Functions</i>	<u><i>June 30,</i></u>	
	<u><i>2010</i></u>	<u><i>2009</i></u>
General and Administrative (time restricted)	\$ 79,883	\$ 40,000
Fiscal Sponsorship	<u>18,133</u>	<u>11,000</u>
Total	<u>\$ 98,016</u>	<u>\$ 51,000</u>

Alternatives for Community & Environment, Inc.
Notes to Financial Statements - *Continued*
June 30, 2010 and 2009

7. Investments

Investments at June 30, 2010 and 2009 were as follows:

	<i>2010</i>	<i>2009</i>
Certificates of deposits	\$ 301,102	\$ 303,658
Corporate stocks	99,551	75,687
Real estate investment trust	<u>11,174</u>	<u>10,523</u>
Total	<u>\$ 411,827</u>	<u>\$ 389,868</u>

Fair values by level measurements at June 30, 2010 and 2009 were as follows:

	<i>June 30, 2010</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Certificates of deposit	\$ 301,102	\$ -	\$ -	\$ 301,102
Corporate stocks	99,551	-	-	99,551
Real estate investment trust	<u>-</u>	<u>-</u>	<u>11,174</u>	<u>11,174</u>
Total	<u>\$ 400,653</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 411,827</u>
	<i>June 30, 2009</i>			
	<i>Level 1</i>	<i>Level 2</i>	<i>Level 3</i>	<i>Total</i>
Certificates of deposit	\$ 303,658	\$ -	\$ -	\$ 303,658
Corporate stocks	75,687	-	-	75,687
Real estate investment trust	<u>-</u>	<u>-</u>	<u>10,523</u>	<u>10,523</u>
Total	<u>\$ 379,345</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 389,868</u>

Fair value of investments using significant unobservable inputs (Level 3 measurements)

	<i>2010</i>	<i>2009</i>
Real Estate Investment Trust		
Balance, July 1	\$ 10,523	\$ -
Total gains or losses (realized/unrealized)	-	-
Purchases	651	10,523
Sales	-	-
Transfers into Level 3	-	-
Transfers out of Level 3	<u>-</u>	<u>-</u>
Balance, June 30	<u>\$ 11,174</u>	<u>\$ 10,523</u>
Gains and losses included in unrestricted net assets at June 30	<u>\$ -</u>	<u>\$ -</u>

Alternatives for Community & Environment, Inc.
Notes to Financial Statements - *Continued*
June 30, 2010 and 2009

8. Concentrations

Market Risk

ACE's investments are subject to market fluctuations. Due to the level of risk associated with investments, it is at least reasonably possible that changes in the value of investments will occur in the near term and that such changes could materially affect the financial statements.

Revenue and Support

During 2010 and 2009, ACE received 22% and 25%, respectively, of its total revenue and support from two donors. At June 30, 2010 and 2009, the outstanding promises to give from three donors represented 74% and 95%, respectively, of the total outstanding promises to give.

9. Subsequent Events

ACE has evaluated subsequent events through May 23, 2011, which is the date the financial statements were available to be issued.