

Seed Capital, Grant Commitments and Expenditures Summary

Summary of Financial Status	Cumulative June 2011
Seed Capital Received from AT&T and Verizon:	\$60,000,000
Interest and Earned Income:	3,428,374
Contributions for Specific Programs:	1,178,000
Government Grants (ARRA NTIA)	14,359,476
Grants Approved To Date:	22,668,096
Grant Payments To Date:	18,053,457
Grant Outstanding Obligations:	4,614,639
Leveraged Match Funding for Grants:	87,744,637
TOTAL Expenditures:	42,950,560
— Program Expenditures:	41,026,858 (96%)
— Administrative Costs:	1,923,702 (4%)
Non-Grant Expenditures:	11,330,116
— Program Expenditures:	9,406,414 (83%)
— Administrative Costs:	1,923,702 (17%)
School2Home Expenditures To Date:	2,066,083
Total Assets – Total Liabilities and Equities:	\$35,138,432

The CETF Strategic Action Plan aims to close the Digital Divide by achieving 98% deployment and 80% adoption within a decade of beginning operations. The CETF Board of Directors plans to achieve success by 2017 and conclude operations, expending all Seed Capital and earnings. Thus, Total Assets and Total Liabilities and Equities will continue to decline each Fiscal Year. The overall goal for the portfolio is to leverage the Seed Capital 4-fold by achieving a 1:3 match by other resources. To date, CETF has achieved and exceeded that goal with a 1:3.9 match. CETF also operates relatively efficiently in comparison to other charitable organizations, with 96% in Program and 4% in Support activities and expenditures according to independent audits. CETF “front-loaded” the commitment of funds for grants (referred to as “CETF 1.0”) in order to engage a “critical mass” of community-based organizations (CBOs) to reach the target populations. CETF also invested significant resources in the development of the Get Connected! Public Awareness and Education Program and School2Home as a neighborhood transformation strategy. This approach attracted additional funding, most notably the NTIA grants supporting 19 CBOs (referred to as “CETF 2.0”). As a result, in the plan to achieve success and conclude operations in 2017, CETF has only \$10 million of unobligated Seed Capital and has pledged to use \$5 million for School2Home and \$1 million for a Get Connected! Fund, both to be leveraged 5-fold (requiring 1:4 match funding). This approach to Strategic Partnerships (referred to as “CETF 3.0”) has a higher leverage goal and focuses on integrated efforts to close the Digital Divide by improving education and transforming disadvantaged neighborhoods.