THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

AUDITED FINANCIAL STATEMENTS AND LETTER COMMUNICATING THAT NO MATERIAL WEAKNESSES WERE IDENTIFIED

DECEMBER 31, 2011

TCBA WATSON RICE LLP
CERTIFIED PUBLIC ACCOUNTANTS

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

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AUDITED FINANCIAL STATEMENTS

DECEMBER 31, 2011 AND 2010

TCBA WATSON RICE LLP
CERTIFIED PUBLIC ACCOUNTANTS

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
DECEMBER 31, 2011 AND 2010

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INDEPENDENT AUDITOR'S REPORT

To the Governing Board of
The Interfaith Center on Corporate Responsibility

We have audited the accompanying statements of financial position of The Interfaith Center on Corporate Responsibility 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 Interfaith Center on Corporate Responsibility'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 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 The Interfaith Center on Corporate Responsibility as of December 31, 2011 and 2010, 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.

TCBA Watson Rice LLP

New York, New York
March 29, 2012

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2011 AND 2010

	2011	**2010**
Assets		
Cash and cash equivalents (Note 3)	$ 295,510	$ 324,696
Accounts receivable (Note 4)	104,550	80,912
Other receivables (Note 5)	-	6,981
Prepaid expenses	13,907	13,166
Investments (Notes 6 and 7)	1,038,488	1,060,650
Property and equipment - net (Note 8)	-	3,525
Total Assets	$ 1,452,455	$ 1,489,930
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued liabilities (Note 9)	$ 79,508	$ 146,183
Liability for HIPR benefits (Note 13)	412,900	396,300
Loan payable (Note 10)	100,000	100,000
Other liabilities (Note 11)	98,385	120,790
Deferred revenue	-	3,000
Total Liabilities	690,793	766,273
Net Assets (Deficit) (Note 12)		
Unrestricted:		
Board-designated	63,588	63,588
Undesignated	(340,414)	(400,581)
Total unrestricted	(276,826)	(336,993)
Temporarily restricted	166,738	188,900
Permanently restricted	871,750	871,750
Total Net Assets	761,662	723,657
Total Liabilities and Net Assets	$ 1,452,455	$ 1,489,930

See notes to financial statements.

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Member dues and fees	$ 948,398	$ -	$ -	$ 948,398
Program-related contributions	119,875	-	-	119,875
Special event - net of $64,476 in direct expenses (Note 17)	561,141	-	-	561,141
Corporate examiner and other literature sales	9,289	-	-	9,289
Net investment earnings and gains (Note 6)	-	23,751	-	23,751
Interest income	1,637	-	-	1,637
Other revenues	17,843	-	-	17,843
Net assets released from restrictions	45,913	(45,913)	-	-
Total Revenues	1,704,096	(22,162)	-	1,681,934
Expenses				
Program expenses	948,865	-	-	948,865
Management and general	554,587	-	-	554,587
Fundraising	140,477	-	-	140,477
Total Expenses	1,643,929	-	-	1,643,929
Changes in Net Assets (Deficit)	60,167	(22,162)	-	38,005
Net Assets (Deficit), Beginning of Year	(336,993)	188,900	871,750	723,657
Net Assets (Deficit), End of Year	$ (276,826)	$ 166,738	$ 871,750	$ 761,662

See notes to financial statements.

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenues				
Member dues and fees	$ 954,143	$ -	$ -	$ 954,143
Program-related contributions	160,173	-	-	160,173
Special event - net of $86,533 in direct expenses (Note 17)	368,267	-	-	368,267
Corporate examiner and other literature sales	22,240	-	-	22,240
Net investment earnings and gains (Note 6)	-	119,030	-	119,030
Interest income	2,683	-	-	2,683
Other revenues	24,908	-	-	24,908
Net assets released from restrictions	105,111	(105,111)	-	-
Total Revenues	1,637,525	13,919	-	1,651,444
Expenses				
Program expenses	977,425	-	-	977,425
Management and general	612,868	-	-	612,868
Fundraising	125,196	-	-	125,196
Total Expenses	1,715,489	-	-	1,715,489
Changes in Net Assets Before Effect of Change in Law	(77,964)	13,919	-	(64,045)
Net Asset Reclassification Based on Change in Law (Note 12)	-	174,981	(174,981)	-
Changes in Net Assets (Deficit)	(77,964)	188,900	(174,981)	(64,045)
Net Assets (Deficit), Beginning of Year	(259,029)	-	1,046,731	787,702
Net Assets (Deficit), End of Year	$ (336,993)	$ 188,900	$ 871,750	$ 723,657

See notes to financial statements.

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2011

Expense Classification	Program Expenses	Management and General	Fundraising	Total
Salaries and other personnel costs	$ 719,988	$ 476,709	$ 98,494	$ 1,295,190
Professional and other service fees	33,595	23,517	10,079	67,190
Rent and occupancy costs	74,557	14,911	9,941	99,409
Office supplies and expenses	25,854	5,044	3,363	34,261
Travel and meeting expenses	30,385	15,193	15,193	60,770
Capacity building	2,245	2,244	-	4,489
Depreciation and amortization expenses	2,693	416	416	3,525
Literature purchases and publication costs	32,641	3,627	-	36,268
Postage and communication expenses	18,854	8,080	2,993	29,927
Subscriptions	284	663	-	947
Miscellaneous expenses	7,769	4,184	-	11,953
Total Expenses	$ 948,865	$ 554,587	$ 140,477	$ 1,643,929

See notes to financial statements.

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED DECEMBER 31, 2010

Expense Classification	Program Expenses	Management and General	Fundraising	Total
Salaries and other personnel costs	$ 730,893	$ 484,150	$ 99,851	$ 1,314,894
Professional and other service fees	52,158	44,357	6,000	102,515
Rent and occupancy costs	59,420	23,191	6,303	88,914
Office supplies and expenses	28,959	7,425	3,551	39,935
Travel and meeting expenses	28,711	36,585	3,922	69,218
Depreciation and amortization expenses	17,811	2,226	2,227	22,264
Literature purchases and publication costs	34,284	3,686	-	37,970
Postage and communication expenses	20,991	8,580	3,342	32,913
Subscriptions	290	514	-	804
Miscellaneous expenses	3,908	2,154	-	6,062
Total Expenses	$ 977,425	$ 612,868	$ 125,196	$ 1,715,489

See notes to financial statements.

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2011 AND 2010

	2011	2010
Cash Flows From Operating Activities		
Changes in net assets (deficit)	$ 38,005	$ (64,045)
Adjustments to reconcile changes in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization expenses	3,525	22,264
(Increase)/decrease in assets:		
Accounts receivable	(23,638)	12,382
Other receivables	6,981	2,668
Prepaid expenses	(741)	2,976
Increase/(decrease) in liabilities:		
Accounts payable and accrued liabilities	(66,675)	19,164
Liability for HIPR benefits	16,600	9,000
Other liabilities	(22,405)	63,660
Deferred revenue	(3,000)	(66,000)
Net cash (used in) provided by operating activities	(51,348)	2,069
Cash Flows From Investing Activities		
Net purchase of investments	22,162	(13,919)
Net Decrease in Cash and Cash Equivalents	(29,186)	(11,850)
Cash and Cash Equivalents, Beginning of Year	324,696	336,546
Cash and Cash Equivalents, End of Year	$ 295,510	$ 324,696
Supplemental Disclosure of Cash Flow Information:		
Interest paid	$ 1,000	$ 1,000

See notes to financial statements.

THE INTERFAITH CENTER ON CORPORATE RESPONSIBILITY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2011 AND 2010

1. ORGANIZATION

The Interfaith Center on Corporate Responsibility ("ICCR") was founded in 1971. As of December 31, 2011 and 2010, it has 76 and 72 members, respectively, representing Protestant, Roman Catholic and Jewish institutional investors. These members elect ICCR's Governing Board. It also has 28 and 30 associate organizations as of December 31, 2011 and 2010, respectively, representing socially responsible mutual funds, investment managers, pension funds and foundations. Finally, it has 69 affiliate organizations as of December 31, 2011 and 2010, which support its corporate responsibility work. It is a not-for-profit organization exempt from federal income tax under Section 501(c)(3) of the United States Internal Revenue Code.

ICCR assists its members in the coordination of their ethical and corporate responsibility programs. ICCR and its members utilize dialogue with corporate management and public campaigns to challenge corporate irresponsibility. ICCR's corporate responsibility campaigns in 2011 and 2010 involved challenging companies to support sustainable wages and safe working with companies to ensure access to safe and sustainable water supplies, encourage the development of more sustainable food systems, ensure wages and safe working conditions in their supplies chains, to respect human rights in all their operations, to protect the environment from toxic emissions, to promote strong corporate governance including reducing excessive compensation and increasing diversity on corporate boards, to ensure global access to life-saving pharmaceuticals, to ask companies to provide quality, affordable health care for all employees, to advocate for stronger policies to ensure sound capital markets and encouraging transparent, integrated sustainability report across all sectors.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Basis of Accounting

The financial statements of ICCR have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

b. Basis of Presentation

ICCR reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets. Accordingly, the ICCR's net assets are classified and reported as follows:

1. Unrestricted net assets – consist of assets that are neither permanently nor temporarily restricted by donor-imposed stipulations. ICCR's unrestricted assets are provided by general contributions and donations that are not specifically designated by donors, revenues from Corporate Examiner subscriptions, and sale of Proxy books and other literature.

2. Temporarily restricted net assets – consist of assets whose use by the organization is limited by donor-imposed stipulations that either expire by passage of time or can be fulfilled and removed by actions of the organization. ICCR's temporarily restricted net assets include all pledges and contributions designated for program activities.

3. Permanently restricted net assets – consist of assets whose use is limited by donor-imposed stipulations that neither expire by passage of time nor can be fulfilled or otherwise removed by the actions of organization.

c. Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenues and expenses. Actual results could differ from those estimates

d. Expense Allocation

Directly identifiable expenses are charged to programs and supporting services. Expenses related to more than one function are charged to programs and supporting services on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of ICCR.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

e. Contributions

Contributions received are recorded as increases in unrestricted, temporarily restricted, or permanently restricted net assets, depending on the existence and/or nature of any donor restrictions.

f. Compensated Absences

ICCR accrues for the liability of vacation and sick pay which its employees have earned but not yet used, in accordance with the terms of its collective bargaining agreement.

g. Property and Equipment

Property and equipment is depreciated on a straight-line basis over the estimated useful lives of the assets. Expenditures for leasehold improvements are capitalized and amortized using the straight-line method over the shorter of the estimated useful life of the specific asset or the term of the lease. As of December 31, 2011, all ICCR's property and equipment is fully depreciated.

h. Endowment Funds

ICCR's permanently restricted net assets consist of an endowment gift from the Fabunmi Trust and matching funds raised by ICCR. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

ICCR's Board of Directors has interpreted the New York Prudent Management of Institutional Funds Act ("NYPMIFA") as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, ICCR classifies as permanently restricted net assets (a) the original value of gift donated to the permanent endowment, (b) the original value of subsequent gift to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by ICCR in a manner consistent with the standard of prudence prescribed by NYPMIFA.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

h. Endowment Funds – Continued

In accordance with NYPMIFA, ICCR considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds: (1) the duration and preservation of the various funds, (2) the purposes of the donor-restricted endowment funds, (3) general economic conditions, (4) the possible effect of inflation and deflation, (5) the expected total return from income and the appreciation of investments, (6) other resources of ICCR, and (7) ICCR's investment policies.

Investment Return Objectives, Risk Parameters and Strategies. ICCR had adopted investment and spending policies, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution of 4% while growing the funds if possible. Therefore, ICCR expects its endowment assets, over time, to produce an average rate of return of approximately 6% annually. Actual returns in any given year may vary from this amount. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

Spending Policy. ICCR shall expend income and appreciation on the fund on a total return basis in accordance with standards applicable under the New York State Not-for-Profit Corporation Law and the NYPMIFA at a percentage of total return deemed prudent by the board. In establishing this policy, ICCR considered the long-term expected return on its investment assets, the nature and duration of the individual endowment funds, which must be maintained in perpetuity because of donor-restrictions, and the possible effects of inflation. ICCR expects the current spending policy to allow its endowment funds to grow at a nominal average rate of 6% annually. This is consistent with the ICCR's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

3. CASH AND CASH EQUIVALENTS

Cash and cash equivalents include demand deposits and money market funds, except for those money market funds managed by ICCR's external investment managers as part of their long-term investments.

ICCR maintains cash balances at various financial institutions. Accounts at each institution are insured by the Federal Deposit Insurance Corporation up to $250,000. There were no uninsured cash balances at December 31, 2011 and 2010.

The following is the composition of cash and cash equivalents at December 31, 2011 and 2010:

	2011	2010
Chase Manhattan Bank:		
Business Checking Account No. 091-5003989-65	$ 62,941	$ 68,640
Business Money Market Account No. 091-5003997-65	53,114	119,098
Business Money Market Account No. 091-6086651-66	56,021	14,787
Amalgamated Bank:		
Money Market Account No. 124600292	10,512	10,493
Liberty Bank and Trust:		
Corporate Savings Account No. 1494724	71,240	70,150
Carver Federal Savings Bank:		
CD Account No. 801099420	10,256	10,164
Money Market Account No. 801082200	20,952	20,944
Urban Partnership Bank:		
Money Market Account No. 8100005258	10,386	10,332
Petty Cash	88	88
Total	$ 295,510	$ 324,696

4. ACCOUNTS RECEIVABLE

This account consists of outstanding membership, associate, and subscriber dues and contributions receivable, as follows:

	2011	2010
Membership dues receivable	$ 50,200	$ 23,602
Associate fees receivable	44,600	35,200
Affiliate fees receivable	9,750	9,500
Subscriber service fees receivable	-	450
Contributions receivable	-	12,160
Total	$ 104,550	$ 80,912

5. OTHER RECEIVABLES

The following comprise the other receivables account:

	2011	2010
Interest receivable	$ -	$ 4,977
Book sales receivable	-	1,310
Miscellaneous other receivables - advances	-	694
Total	$ -	$ 6,981

6. INVESTMENTS

The following is the composition of investments at December 31, 2011 and 2010:

	2011		2010	
	Cost	Fair Value	Cost	Fair Value
TD Ameritrade:				
Mutual funds	$ 410,525	$ 424,625	$ 395,311	$ 408,711
Money market account	1,768	1,768	1,767	1,767
Charles Schwab Institutional:				
Equities	507,665	602,761	544,364	642,393
Money market funds	9,334	9,334	7,779	7,779
Total	$ 929,292	$ 1,038,488	$ 949,221	$ 1,060,650

6. INVESTMENTS – CONTINUED

The net investment earnings, gains and losses for the years ended December 31, 2011 and 2010 consist of the following:

	2011	2010
Interest and dividends	$ 25,983	$ 41,605
Net realized and unrealized (losses) gains	(2,232)	77,425
Net investment earnings and gains	$ 23,751	$ 119,030

7. FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis at December 31, 2011 and 2010 are as follows:

	2011		2010	
	Fair Value	Level 1	Fair Value	Level 1
TD Ameritrade:				
Mutual funds	$ 424,625	$ 424,625	$ 408,711	$ 408,711
Money market account	1,768	1,768	1,767	1,767
Charles Schwab Institutional:				
Equities	602,761	602,761	642,393	642,393
Money market funds	9,334	9,334	7,779	7,779
Total	$ 1,038,488	$ 1,038,488	$ 1,060,650	$ 1,060,650

Fair values of investments are determined by reference to quoted market prices and other relevant information generated by market transactions.

8. PROPERTY AND EQUIPMENT

The following is the composition of property and equipment at December 31, 2011 and 2010:

	2011	2010
Computer equipment	$ 175,333	$ 175,333
Office machines	34,968	34,968
Leasehold improvements	26,106	26,106
Total	236,407	236,407
Less: Accumulated depreciation and amortization	236,407	232,882
Total	$ -	$ 3,525

9. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consist of the following:

	2011	2010
Accrued salaries and vacation	$ 74,648	$ 72,411
National Council of the Churches of Christ in the USA - Health and other benefits	-	10,800
Accounts payable - various suppliers	4,860	62,972
Total	$ 79,508	$ 146,183

10. LOAN PAYABLE

A loan of $100,000 was given to ICCR by The Congregation of the Sisters of Charity of the Incarnate Word on May 2, 2008. This loan bears an interest rate of 1% per annum.

The loan has been modified at December 31, 2010. The principal shall be paid in two equal installments of fifty thousand dollars. The first installment is due and payable on May 2, 2012, and the second installment is due and payable on May 2, 2013. Interest will continue to accrue with interest payment due annually on May 2. The next payment of accrued interest will be due on May 2, 2012.

Interest expense was $1,000 for the years ended December 31, 2011 and 2010.

11. OTHER LIABILITIES

Other liabilities consists of book orders/sales, software development costs and program donations, professional service fees and health insurance for the 4th quarter of the year.

12. NET ASSETS

Unrestricted Net Assets

The unrestricted net assets had a net deficit of $276,826 and $336,993 at December 31, 2011 and 2010, respectively. Over the years, the Board designated certain fund for specific purpose, which had the following balances as of December 31:

	2011	2010
Employee Separation Reserve	$ 63,588	$ 63,588

The existence of the board-designated funds resulted in undesignated net deficit of $340,414 and $400,581 at December 31, 2011 and 2010, respectively.

A substantial proportion of the deficit is related to FASB 158 Rule changes. Management is addressing the deficit by prudent reduction in expenses, with particular attention to headcount. In addition, a comprehensive grant seeking approach has been put into place for 2011.

Permanently Restricted Net Assets

Permanently restricted net assets consisted of endowment funds in the amount of $871,750 at December 31, 2011 and 2010.

The composition of and changes in donor-restricted endowment net assets as of and for the years ended December 31, 2011 and 2010 are as follows:

	2011		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ 188,900	$ 871,750	$ 1,060,650
Interest and dividends	25,983	-	25,983
Net realized and unrealized gains (losses)	(2,232)	-	(2,232)
Amounts appropriated for expenditure	(45,913)	-	(45,913)
Endowment net assets, end of year	$ 166,738	$ 871,750	$ 1,038,488

12. NET ASSETS – CONTINUED

	2010		
	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning of year	$ -	$ 1,046,731	$ 1,046,731
Transfers and adjustments	174,981	(174,981)	-
Interest and dividends	41,605	-	41,605
Net realized and unrealized gains	77,425	-	77,425
Amounts appropriated for expenditure	(105,111)	-	(105,111)
Endowment net assets, end of year	$ 188,900	$ 871,750	$ 1,060,650

Adoption of NYPMIFA

The State of New York enacted NYPMIFA effective September 17, 2010, the provisions of which apply to endowment funds existing on or established after that date. Management and the Board of Directors have determined that ICCR's permanently restricted net assets meet the definition of endowment funds under NYPMIFA. Based on ICCR's interpretation of NYPMIFA, ICCR has reviewed all of its endowment funds and has reclassified $174,981 from permanently restricted net assets to temporarily restricted net assets as of December 31, 2010.

13. RETIREMENT PLAN AND OTHER BENEFITS

The Governing Board of ICCR established a 403(b) pension plan through the Teachers Insurance and Annuity Association – College Retirement Equity Fund ("TIAA-CREF"). The plan requires ICCR to contribute an amount equivalent to 11% of the annual compensation for certain eligible employees, or 18.65% of the annual compensation for ordained employees who are considered self-employed, as defined in Article IV of the Federal Social Security Act. For the years ended December 31, 2011 and 2010, contributions to the plan amounted to $101,655 and $109,138, respectively.

ICCR also provides certain health care benefits for retired employees in accordance with the National Council of Churches of Christ's (the "Council") health benefit plan. Following are the eligibility requirements for post-retirement health benefits as provided for in ICCR's collective bargaining agreement with its employees:

Employees hired before April 1, 1995	Age 55 and 15 years of service
Employees hired after April 1, 1995	Age 55, 25 years of service and 15 years in the medical plan

13. RETIREMENT PLAN AND OTHER BENEFITS – CONTINUED

An employee hired after April 1, 1995, who is laid off at age 60 or older with at least 20 years of participation in the medical plan maintained by the Council, will be treated as if he/she had 25 years of such participation and will therefore be entitled to receive post-retirement health benefits under the plan.

At January 1, 2012, ICCR's Statement of Financial Accounting Standards ("SFAS") No. 106 accumulated post-retirement benefit obligation was determined to be $412,900 at 4.5% discount rate. ICCR decided to amortize its accumulated post-retirement benefit obligation over a 20-year period. The components of its SFAS 106 expense consisted of:

Service cost	$ 11,500
Interest cost	22,400
Amortization of (20 years) transition obligation	12,000
Amortization of cumulative (loss)	26,300
Net post-retirement benefit cost	$ 72,200

Health insurance postretirement (HIPR) benefit obligations and funded status:

Accumulated postretirement benefit obligation (APBO) at January 1, 2012:

Retirees	$ 45,300
Actives eligible for benefit	247,200
Actives not yet eligible	120,400
Accumulated post-retirement benefit obligation	$ 412,900

14. EXPENSES

Below are total expenses and percentages of expenses charged to program and supporting services for the years ended December 31, 2011 and 2010:

	2011		2010	
	Amount	Percent	Amount	Percent
Program expenses	$ 948,865	57%	$ 977,425	57%
Management and general	554,587	34%	612,868	36%
Fundraising	140,477	9%	125,196	7%
Total	$ 1,643,929	100%	$ 1,715,489	100%

15. OPERATING LEASE COMMITMENTS

In October 2009, ICCR extended its lease with the Interchurch Center. It is a three-year, eight-month lease agreement with an annual rental cost of $86,700. As of December 31, 2011, the future minimum rental payments required under this operating lease are as follows:

Year Ending December 31,	Amount
2012	86,700
2013	36,125
Total	$ 122,825

16. IN-KIND CONTRIBUTION

ICCR receives in-kind contributions from its members consisting of unreimbursed travel and other expenses. No contribution amounts have been reflected in the financial statements since the recognition criteria were not met. Following is the composition of these expenses for the years ended December 31, 2011 and 2010:

	2011	2010
Travel and meeting expenses	$ 77,505	$ 79,454
Postage and other communication expenses	180	851
Office supplies and other expenses	7,250	3,252
Total	$ 84,935	$ 83,557

17. SPECIAL EVENT

Special event represents net proceeds from the awards dinner held on September 22, 2011 for 2011, and October 7, 2010 for 2010. Revenues and direct costs were as follows:

	2011	2010
Revenues	$ 625,617	$ 454,800
Less: Direct costs	(64,476)	(86,533)
Net Proceeds	$ 561,141	$ 368,267

18. PROXYEDGE

In 2009, in an effort to extend the reach of its Proxy Resolution Book published each year, ICCR contracted with Broadridge Investor Communications Solutions, Inc. in a pilot program making its filing history available online to subscribers of Broadridge's "ProxyEdge" service. Each time a client subscribes, ICCR receives a portion of the revenue as outlined in the executed Memorandum of Understanding.

19. EVALUATION OF SUBSEQUENT EVENTS

ICCR has evaluated subsequent events through March 29, 2012, the date the financial statements were available to be issued.

II. Letter Communicating That No Material Weaknesses Were Identified

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The Board of Directors and Management
The Interfaith Center on Corporate Responsibility

In planning and performing our audit of the financial statements of The Interfaith Center on Corporate Responsibility ("ICCR") as of and for the year ended December 31, 2011, in accordance with auditing standards generally accepted in the United States of America, we considered ICCR's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of ICCR's internal control. Accordingly, we do not express an opinion on the effectiveness of ICCR's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control was for the limited purpose described in the first paragraph and would not necessarily identify all deficiencies in internal control that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control that we consider to be material weaknesses, as defined above.

This communication is intended solely for the information and use of the Board of Directors, Finance Committee, and management and is not intended to be and should not be used by anyone other than these specified parties.

TCBA Watson Rice LLP

New York, New York
March 29, 2012