

## **Crisis Center at the Crossroads: Which Road Leads to Continued Service Delivery Success?**

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*Since 1972, The Crisis Center of Tampa Bay has been very successful in bringing help, hope, and healing to people facing serious life challenges. The Crisis Center has delivered their many services through a mix of government funding, corporate and private donations, and earned income strategies. Despite this success, funding is decreasing while demand for services continues to increase. With demand in 2011 projected to exceed the 175,000 people served in 2010, The Crisis Center of Tampa Bay must evaluate alternatives including pursuing funding to expand services to underserved populations, expanding earned income strategies and implementing cost reductions.*

### **INTRODUCTION**

David Broughton has some serious thinking to do about the strategic future of the Crisis Center of Tampa Bay (CCTB). As President and CEO, he is proud of the achievements of a center that excels in bringing help, hope, and healing to people facing serious life challenges. Founded in 1972 by a group of volunteers and concerned citizens in Hillsborough County, Florida, the CCTB began as a suicide and crisis hotline. The CCTB is a private nonprofit organization, and considered the first stop for trauma counseling services in Tampa Bay. The CCTB offers a one-stop location with complete trauma services (Client Services, 2011). By offering a diverse range of services, the CCTB can assist any client with any crisis they are experiencing. The one-stop shop differentiation strategy enables the CCTB to act like “The Solution Center” for its clients.

Due to the downturn in the economy and funding shortfalls, the CCTB currently faces a significant challenge in providing its trauma counseling programs within its Client Services division to all those in need within the Tampa Bay community. Over the last several years, more people have reached out to the CCTB for assistance. In 2006 and 2007, over 90,000 clients were served by the CCTB with the demand almost doubling to 175,000 clients in 2010. This increase is due in part from individuals who have experienced job losses and a direct correlation between the impact this issue has on both mental health and personal financial pressures. To escalate the problem, funding from sources such as Hillsborough

County government and granting organizations continues to decline. The CCTB has seen government grants decline by 11 percent from 2008 to 2010, which is the equivalent of over \$369,000 (Rivero, 2011).

To offset these financial challenges, the CCTB has become more efficient in using its resources to decrease costs, thereby increasing its profits by 30 percent. Additionally, the CCTB has increased its fundraising efforts by its development department and has seen an increase in medical emergency calls serviced by TransCare Medical Transportation Services, the CCTB's social enterprise business. Unfortunately, these extra resources will not sustain the organization in the long run and alternative sources of income are necessary (Braughton, 2011).

In addition to declining grant revenue, another key challenge facing the CCTB is a lack of awareness within the community. Overall, the Crisis Center has not effectively communicated to the community its complete list of trauma counseling services available. The CCTB is mainly known for services focused on suicide prevention and sexual assault and abuse. However, the organization also provides trauma counseling services for domestic violence, financial distress, substance abuse, and emotional or situational problems. Additionally, the CCTB offers educational programs and workshops that focus on emotional wellness, which can be customized for organizations, employee groups, volunteers and professionals. According to President and CEO, David Braughton, the CCTB staff and volunteers believe, "If it is a problem for you, it is a problem for us" (Braughton, 2011). As a result of the CCTB's low level of awareness, the organization is currently struggling to create a unique brand identity.

## **THE CRISIS CENTER OF TAMPA BAY**

### **Company Background**

The CCTB primarily operates within Hillsborough County, Florida, but has partnerships with other counseling centers and nonprofits to offer services throughout Tampa Bay. The organization currently has strategic alliances with the Family Justice Center, which is in partnership with the Children's Board, as well as the Drug Abuse and Comprehensive Coordinating Office (DACCOC). The Crisis Center of Tampa Bay's mission statement is as follows: "The CCTB brings help, hope, and healing to people facing serious life challenges or trauma resulting from sexual assault or abuse, domestic violence, financial distress, substance abuse, medical emergency, suicidal thoughts, emotional or situational problems" (Who We Are - Mission, 2011). The CCTB fulfills this mission with two main divisions: Client Services and TransCare Medical Transportation Services (Who We Are, 2011).

### *Client Services*

The CCTB offers many valuable programs to over 150,000 people in the community. These programs include:

- 2-1-1 Crisis Hotline, Suicide Prevention Services- provides free crisis counseling over the phone and via the web, available 24 hours a day, 365 days a year
- Sexual Assault Services- offers forensic medical exams, support services, and follow-up needs for victims of sexual battery
- Trauma Recovery Services - provides counseling services and support for those who have been the victim of assault, battery, sexual abuse or other traumatic events
- Family Stabilization- features a variety of intervention and case management services to assist families and individuals dealing with acute financial and emotional crises
- Telephone Reassurance- offers telephone calls to homebound elderly and adults with disabilities who live alone and those who have no available support system, to ensure their safety, well-being, and provide reassurance
- Free STD/HIV Testing - free and confidential STD/HIV and pregnancy tests are offered every Thursday at select times with no appointment needed, provided through a partnership with Tampa Hillsborough Action Plan (THAP)

- Travelers Aid – services for transportation assistance and crisis intervention services for families and individuals either stranded or disconnected from their support system
- Professional workshop programs related to various trauma counseling issues- CCTB is a provider of approximately thirteen Continuing Education Workshop programs, which have been offered on a limited basis to members of the Florida Bar Association to satisfy Continuing Legal Education (CLE) requirements of certified attorneys in the state of Florida, as well as the Florida Board of Clinical Social Work, Marriage and Family Therapy and Mental Health Counseling organizations (Mueller, Education & Outreach).

### *TransCare Medical Transportation Services*

This division of the CCTB is a social enterprise, and provides financial revenue to support to the organization's Client Services programs. TransCare provides primary 9-1-1 Basic Life Support (BLS) services in the City of Tampa and secondary BLS services in Hillsborough County. TransCare also provides countywide transports to and from all area hospitals, nursing homes, state psychiatric facilities, hospice facilities; as well as stretcher services, and stand-by service for special events in Hillsborough County (TransCare, 2011). The TransCare division is strictly limited to operating within Hillsborough County due to the county's 9-1-1 system being divided into two areas: the county and the city. Although the majority of TransCare's presence is in the city of Tampa, it also provides back-up ambulance services to all of Hillsborough County (Braughton, 2011).

To expand services and generate additional revenue, TransCare is interested in obtaining Advanced Life Support (ALS) certification. However, obtaining ALS certification will not be easy due to political and monetary restraints. Because TransCare is a service provided through the nonprofit Crisis Center of Tampa Bay, it faces regulatory issues in pursuing certification. Currently, two for-profit companies provide ALS services within Hillsborough County and TransCare would need to receive support from these companies for certification approval. Additionally, ALS certification has significant costs associated, which may be prohibitive.

The CCTB senior management is also considering using TransCare to generate other avenues for revenue growth, such as offering wheelchair and van service to counties outside of Hillsborough, as to not compete against Hillsborough Fire and Rescue, and Hillsborough Emergency Medical Technician (EMT) primary responders (Braughton, 2011). Although TransCare's service expansion could potentially generate additional revenue for Client Services, it is important to consider the downside of expansion; which includes additional expenses for hiring more staff and purchasing fuel at increasing prices to power TransCare's fleet of ambulances.

### **Client Base**

The CCTB will never turn away anyone in need of their service. Its customers are males and females of any age and any ethnicity. However, the majority of CCTB clientele are single women in their 30s who have children. The CCTB has seen a growing number of elderly individuals in need of its services as the number of Americans who are 65 and over continue to increase. In addition, Hispanics are the fastest growing minority and also one of the least proactive in seeking assistance. As a result, the CCTB is targeting this group to provide a support system and allow this group to retain its anonymity when seeking assistance (Braughton, 2011). In addition to the Hispanic community, the CCTB would like to expand services offered in support of the Southeastern Asian Community (Indian, Pakistani, Sunni Muslim, Vietnamese, Laotian, Thai, etc.) by adding an additional location on North Florida Avenue to complement the center's headquarters located in North Tampa (Braughton, 2011).

### **Human Resources and Governance**

All of the CCTB's programs and services are created and provided to clients by a talented human resource pool. The Crisis Center has approximately 200 paid employees. Of these employees, roughly 122 are full-time employees with the remainder being part-time. The largest body of employees resides in the TransCare division, which features 107 staff members including both full-time and part-time

employees. In addition, there are approximately 160 interns and volunteers. Overall, the CCTB staff size is 360 workers (Braughton, 2011).

The CCTB has been successful in attracting and retaining high-performing employees and minimizing employee turnover by putting applicants through pre-employment testing, as well as preliminary vocational evaluation. The testing helps to determine if an applicant will be able to handle the stress and emotional requirements the job entails. Employees are also successful because of the extensive on-the-job training the Crisis Center provides (Ho-Pehling, 2011).

The CCTB CEO, David Braughton, is a nonprofit executive with over 25 years of experience. Under his tutelage, Braughton has developed a senior staff of like-minded nonprofit professionals who have extensive experience working in their specific business discipline. The CCTB has been successful in attracting and retaining high-performing leaders by reaching out to the nonprofit community and networking (Braughton, 2011). An organizational chart is provided in Appendix A.

Similarly, the members of the CCTB Board of Directors are equally committed to the organization's mission, with members pledging time, money, and effort. Board members are tied to the organization in multiple ways including performance evaluation, subcommittee involvement, strategic oversight, and sustaining donations (Braughton, 2011). All Board of Directors with the CCTB are held accountable for their contributions to the organization and have their performance evaluated by the CEO. All board members participate in organizational subcommittees to strategically plan the future of the Crisis Center. Finally, 21 out of the 24 board members are CCTB sustainers, who provide a long term financial commitment to the organization.

## **Financials**

Nonprofit organizations such as the CCTB are exempt from corporate income tax but not from auditing. For this reason, all nonprofits must make the following three main financial statements: a statement of activities, a statement of financial position, and a statement of cash flows. The statement of activities, also known as the income statement, comprises a measurement of the company's financial performance over a certain period. The statement of financial position, commonly known as the balance sheet, provides an idea to investors about the amount the company owns and owes (assets & liabilities) and the amount invested by shareholders (equity). Lastly, the statement of cash flows shows the changes in operating, investing, and financing activities. Complete financials are provided in Appendices B-E.

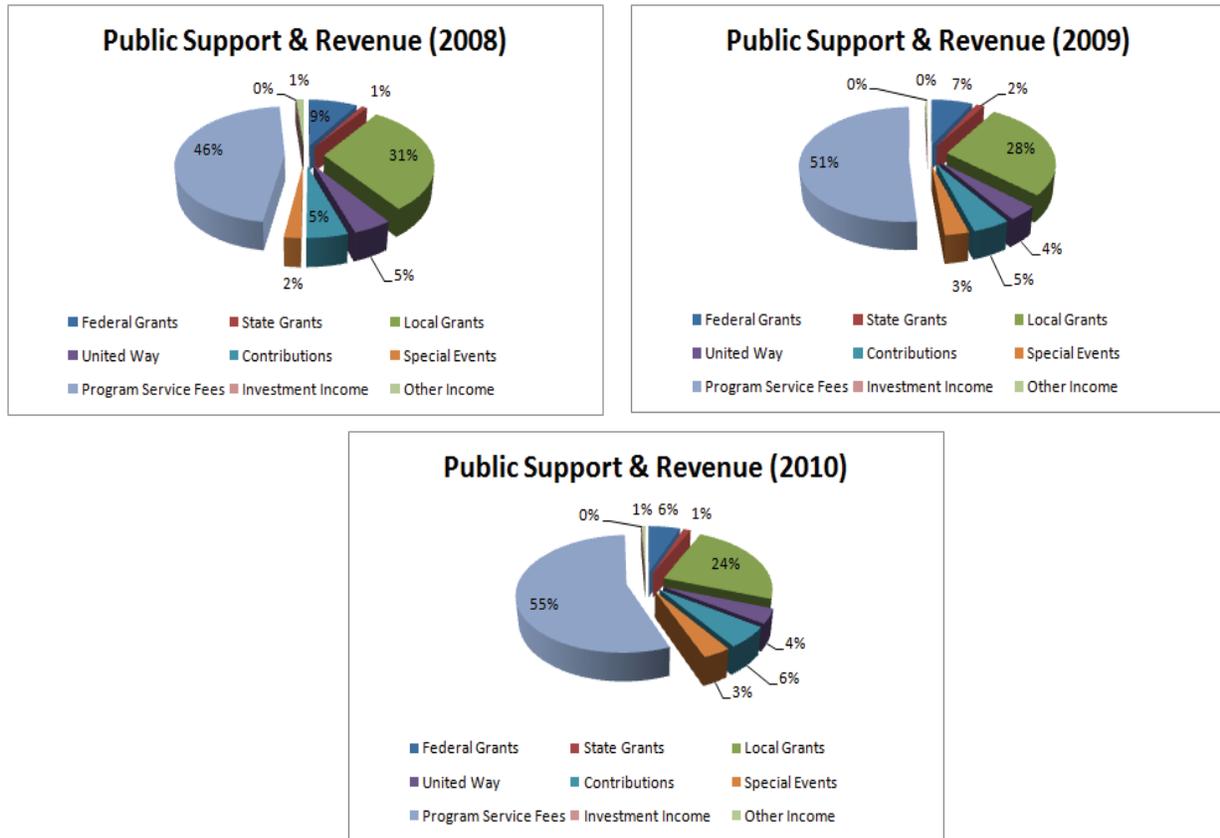
### *Statement of Financial Position*

The Crisis Center's total assets have been increasing for the past three years. In 2008, total assets were \$6,802,270, followed by \$7,826,808 in 2009 and \$8,453,670 in 2010. The 8 percent increase from 2009 to 2010 is due to increases in current assets to \$179,151; property and equipment (not accounting for depreciation) to \$270,761; pledges receivable to \$174,793; and investments to \$2,157. Pledge receivables are unconditional promises from donors to give. Investments consist of mutual funds which are held by a brokerage firm and have an investment portfolio fair value of approximately \$23,000. While assets increased 24.3 percent from 2008 to 2010, liabilities only increased 15.5 percent (Rivero, 2011).

### *Statement of Activities*

The CCTB has a variety of revenues to fund all the services it provides to the community, such as trauma counseling, sexual assault assistance, and suicide prevention. Exhibit 1 below provides an overview of all the sources of revenue for the past three years.

**EXHIBIT 1  
CCTB PUBLIC SUPPORT & REVENUE (2010, 2009, 2008)**



(Rivero, 2011)

As seen in Exhibit 1, total revenues from 2008 to 2010 have increased from \$7,919,345 to \$9,210,515. Revenues from 2009 to 2010 have increased from \$8,823,718 to \$9,210,515. This increase is mainly due to 4 percent generated from program service fees from TransCare Medical Transportation Services, the Crisis Center’s social enterprise endeavor. This division is very significant for the survival of the CCTB as it represents over half of the overall organization’s total revenues. The second largest source of revenue, approximately 25 percent, comes from local grants. However, local grants have experienced a reduction in funding from 2009 to 2010.

Expenses for the CCTB have remained approximately the same in terms of percentages over the period from 2008 to 2010. However, the expense amounts have increased from \$7,874,639 in 2008 to \$9,021,006 in 2010, which was necessary support to TransCare. Eighty-five percent, which is the total of the organization’s largest expenses for both years, is attributed to its program services, which include TransCare, sexual assault services, trauma counseling services, and suicide prevention services (Rivero, 2011).

*Statement of Cash Flows*

As seen in Exhibit 2 below, the statement of cash flows is segmented in three parts: Net Cash by Operating Activities, Net Cash by Investing Activities, and Net Cash by Financing Activities.

**EXHIBIT 2**  
**CCTB NET CASH (2010, 2009, 2008)**

	<b>2010</b>	<b>2009</b>	<b>2008</b>
<b>Net Cash by Operating Activities</b>	\$382,821	\$ 862,618	\$ 311,331
<b>Net Cash by Investing Activities</b>	\$ 270,836	\$ 465,863	\$ (140,701)
<b>Net Cash by Financing Activities</b>	\$ (216,350)	\$ 136,528	\$ (217,937)
<b>Cash &amp; Cash Equivalents (End of Year)</b>	\$ 1,539,266	\$ 1,643,631	\$ 1,110,348

(Rivero, 2011)

Net cash by operating activities is the cash generated from the company's operations. Net cash by investing activities is the cash generated from investments in the financial markets and investments in capital such as plant and equipment. Net cash by financing activities accounts for external activities such as proceeds and payments of notes payable and other kinds of payments. In 2008, the CCTB paid \$198,567 on notes payable and did not receive anything from notes payable. In 2009, the CCTB received \$325,747 from notes payable and paid almost \$200,000 in notes payable and lease obligations. In 2010, the CCTB paid slightly over \$200,000 on notes payable and did not receive any notes payments. Finally, cash and cash equivalents have remained over \$1.5 million for the past two years with a slight decrease of approximately \$100,000 in 2010 (Rivero, 2011).

## **THE SOCIAL ASSISTANCE INDUSTRY**

### **Industry Identification**

According to the North American Industry Classification System (NAICS), the Health Care and Social Assistance Industry is under the NAICS umbrella code of 62, which is defined as "establishments providing health care and social assistance for individuals, which are arranged on a continuum starting with those establishments providing medical care exclusively, continuing with those providing health care and social assistance, and finally finishing with those providing only social assistance. Within the overall 62 industry sector umbrella, the Social Assistance Industry (NAICS code 624) relates more closely with the Crisis Center of Tampa Bay's service delivery, which falls under NAICS code 624190 or the category of "Other Individual and Family Services." The U.S. Census Bureau defines the NAICS code 624190 as comprised of establishments primarily engaged in providing non-residential individual and family social assistance services (U.S. Census Bureau, 2010).

### **Market Size and Growth Rate**

According to the 2002 Economic Census, the Social Assistance Industry (NAICS 624) accounts for 20 percent or 152,391 of the total 704,526 establishments in the overall umbrella of the Healthcare and Social Assistance Industry (NAICS 62) in the U.S. (U.S. Census Bureau, 2002). The following table illustrates the significant growth in the United States within the Other Individual and Family Services sector (NAICS 624190) establishments and sales from 1997 to 2007, which has also caused an increase in the number of sales or receipts from \$20,436,000,000 in 2002 to \$26,400,000,000 in 2007 (U.S. Census Bureau, 2010).

**EXHIBIT 3**  
**OTHER INDIVIDUAL AND FAMILY SERVICES 1997-2007 IN THE UNITED STATES**

Year	1997 (\$'000s)	2002 (\$'000s)	2007 (\$'000s)	% Change
<b>Receipts</b>	11,806,000	20,436,000	26,400,000	29.2
<b>Payroll</b>	4,858,000	8,029,000	9,798,727	22.0
<b>Employees</b>	268,929	375,588	388,767	3.51
<b>Establishments</b>	20,537	24,943	27,281	9.4
<b># of Clients served</b>	D	D	D	D

D= Withheld to avoid disclosing of data of individual companies (U.S. Census Bureau, 2010)

Within Florida, the Other Individual and Family Services Industry has grown in 2007 to encompass \$1,065,319,000 in receipts of the aggregate \$4,008,195,000. The number of establishments account for 1,347 of the aggregate 6,570, with annual payroll and number of paid employees reaching \$371,070,000 of the aggregate \$1,554,048,000 and 14,317 of the aggregate 92,142, respectively (U.S. Census Bureau, 2010).

Within the Tampa-St. Petersburg-Clearwater, Florida Metropolitan Area, the Other Individual and Family Services Industry has grown in 2007 to encompass \$137,749,000 in receipts of the aggregate \$780,511,000. The number of establishments account for 189 of the aggregate 1138, with annual payroll and number of paid employees reaching \$57,720,000 of the aggregate \$286,601,000 and 2,114 of the aggregate 14,501, respectively (U.S. Census Bureau, 2010).

**Stage of Life Cycle & Scope of Rivalry**

The Social Assistance and Social Welfare Industry was founded in 1935 with the Social Security Act and has been thriving ever since with a significant increase in the awareness and need for the diverse and continually expanding services offered within this huge industry. While the number of establishments and competitors has increased significantly, the industry has transitioned from the growth to the maturity phase as the development in this industry is continuing to rise but at a decreasing rate. This decrease in growth is due to the fact that while awareness and demand for services have increased in part due to the soaring unemployment rates, each organization in this industry is now fighting for brand differentiation. This is proving to be difficult due to the cuts in government funding as a result of the budgetary crisis (Gale Group, 2010).

**Key Competitors in the Industry**

Key competitors within the Social Assistance Industry sector include, but are not limited to, establishments that offer abuse counseling, suicide prevention and 2-1-1 hotline response, family stabilization, and trauma counseling (GuideStar USA, 2010). While all nonprofits are competitors in a sense that they are all competing for the same donor funds, no other organization in the Tampa Bay area offers the range of services that The Crisis Center does. The closest competitor is DACCO (Drug Abuse Comprehensive Coordinating Office), a nonprofit agency established in 1973, which provides services to children, youth, adolescents, and adults, as well as to the co-occurring population (mental health / substance abuse) and the homeless community. DACCO's programs include recovery support services, community outreach, aftercare, and opiate maintenance programs. DACCO also provides housing support, via apartments owned by DACCO, which is offered to families based on availability (DACCO, 2010).

## **An Evolving Industry Landscape: Environmental Trends**

Several environmental trends or driving forces are creating opportunities and threats within the Social Assistance Industry sector.

### *Funding Streams*

Since 2009, the recession in the United States has left nearly 16 million Americans unemployed, with the official unemployment rate reaching over 10 percent and minorities being hit the hardest at close to 15 percent. The 2008 census data shows that while the total poverty rate has increased to 13 percent, child poverty has risen to an incredible 19 percent with projections for this figure to reach more than 24 percent by the end of 2011. The Social Assistance Industry has been negatively impacted by the increase in unemployment due to the increase in the demand for services such as financial counseling and basic needs (i.e. food pantries and shelter). Additionally, the industry has been negatively impacted by increasing budget cuts from Medicare and Medicaid (Alliance Trends, n.d.).

Governments rely on Social Assistance organizations to provide services to the community through low fees-for-service. However, a survey conducted by Bridgeland, McNaught, Reed, and Dunkelman showed that by 2008, 61 percent of 800 nationwide Social Assistance organizations experienced drastic budget cuts in government funding, which negatively impacts the industry due to its reliance on government funds. In addition, donations from large corporations decreased by as much as 30 percent between 2007 and 2008. From 2007 to present, the downturn in the economy has shrunk funding coming from the government, corporations, and individuals due to each of these entities experiencing economic crisis. The situation in the economy is affecting industry growth as the funds continue decreasing while demand for health and human services keeps increasing (Vaughan, 2010). For example, the CCTB has seen government grants decline by 11 percent from 2008 to 2010, which is the equivalent of over \$369,000 (Rivero, 2011).

Because nonprofits in the Social Assistance Industry can no longer afford to rely solely on Federal and State government support for a substantial portion of their revenues, these organizations have begun to seek alternative sources of revenue through fundraising, which may include donations, grants, and corporate sponsorships; other revenue sources; and earned income initiatives.

### *Fundraising*

Organizations in the Social Assistance Industry constantly look for alternative revenue to augment funding, which may include activities such as fundraising, event planning, public service and media relations networking, and publications. Additional avenues of fundraising, such as Web, print and radio, are being explored by other organizations, which are also considering the use of television for new donor acquisitions (NonProfit Times Weekly, 2008).

Another source of possible funding is through grants from philanthropic organizations and foundations. In addition, financial support can also be generated through private donors, corporate sponsors, and as a beneficiary in a will. For example, the CCTB utilizes the Benevon model to generate sustainable fundraising and create long-term donor relationships, in which donors become financial sustainers and commit financial support to the organization over the course of several years. The CCTB's fundraising model includes regularly scheduled "Every Second Counts" facility tours and its annual "Cup of Compassion" breakfast event to solicit financial support from donors. For Fiscal Year 2011, the Benevon fundraising model has been very successful for the CCTB in creating a sustaining donor list of more than sixty individuals and is on track to reach \$900,000 in funds raised, representing 10 percent of the organization's operating budget (Sustainer Society, 2011).

### *Other Revenue Sources*

In pursuit of other revenue sources, some Social Assistance Industry organizations bill government agencies and other nonprofit organizations via fees-for-service as well as receive government contracts to run social service programs, schools, and job-training programs for welfare recipients. Currently, the

CCTB earns revenue by charging Medicare and Medicaid for the various services provided to individuals. Additionally, the CCTB has partnered with a fellow nonprofit, DACCO, in a fee-based agreement to provide communication services using its emergency 2-1-1 Crisis Hotline (Braughton, 2011).

### *Earned Income Initiatives*

Faced with rising costs, more competition for fewer donations and grants, and increased rivalry from for-profit companies entering the Social Assistance sector, nonprofits are changing their approach with traditional funding sources to behave more like for-profit organizations and increase revenues through earned income initiatives. Leaders of nonprofit organizations are motivated to find commercial opportunities for their companies which deliver goods and services in ways that do not create dependency in their constituencies but create self-funding which leads to financial sustainability for the organization (Dees, 1998).

As previously discussed the CCTB has established a social enterprise, which is a business whose sole purpose is to provide revenue to support the organization's mission. The Crisis Center's medical transportation service, TransCare, helps the organization to remain competitive and supports the agency's client services by generating approximately \$5 million in revenue, which represents 5/9 of the CCTB's total revenue (Braughton, 2011).

### *A Changing Population*

The United States' population continues to become more ethnically diverse as it keeps growing. By 2006, minorities were estimated to be over 100 million people in the country, representing one third of the entire population, with Hispanics being the fastest growing group. According to government projections, U.S. minorities will be the majority by 2042 minorities (Tableman, 2000). According to the recently released census estimates, the minority population in the Tampa Bay area grew tremendously in the past decade, with Hispanics leading the way. Due to the large number of retirees in the region, the Tampa Bay area has historically had the lowest proportion of minorities of any region in Florida. However, Hispanics and other minority groups have become a larger share of the population, accounting for nearly a quarter of the overall population in Hillsborough County with the Hispanic population up more than 50 percent since the 2000 census (Wiatrowski, 2010).

This trend impacts the nonprofit industry as minorities are often miscounted in the census, which results in less federal funds for geographic areas of need. In addition, the demand for services and types of services needed will create disparities in the well-being and health status for minority groups. Responsiveness of nonprofits to language barriers and cultural practices, and their openness in the participation of minorities will affect the acceptability of services and community support. As a result of the increasing presence of minorities in United States, the social assistance industry will have to review all the functional aspects of their business model in order to understand better other cultures and therefore deal more efficiently with minorities (Tableman, 2000).

Another relevant population for the social assistance industry is the Baby Boomers. The number of Americans who are 65 and over continue to increase as the Baby Boomer generation continues to live longer. This trend affects the services needed, allocation of community resources, and the availability of volunteers. Life spans are increasing as individuals are becoming more health-conscious and taking better care of themselves. Seniors over 65 years old represent 35 million of the entire population of the U.S., which increases 12 percent annually (Tableman, 2000). Florida has more than 3.9 million persons who are age 65 and older, which represents the highest proportion of elders within the United States. By 2030, one in four Floridians will be over age 65 (Vogel, 2006). In Hillsborough County, there are over 178,350 seniors, which represent over 16 percent of the total population within the county (Hillsborough County Board of County Commissioners, 2011). This aging trend will continue to increase the care needs for seniors and decrease the availability of seniors willing to volunteer at social service organizations as this cadre prefers to stay in the workforce longer. Consequently, the industry will need to recruit younger volunteers (Tableman, 2000).

### *Governmental Oversight*

Due to the shortage of funds, government officials have had to become more involved in evaluating the performance of nonprofit organizations, which determines the extent in which government officials continue their support. As a result, nonprofit organizations must show proof of benefits they have provided to society through government funding. This implies that staff working for nonprofits must become experts in the fields of accounting, finance, and management to avoid any potential mistakes that would result in loss of funds (Tableman, 2000).

Another trend affecting the nonprofit industry is the legal restrictions that obstruct nonprofits from lobbying themselves. No single area of the nonprofit organization may carry out activities intending to influence decisions made by legislators and government officials. If an organization does, it would no longer qualify as a tax exempt 501(c)(3) charitable organization (Frumkin, 2000).

### *Delivering Services*

According to the U.S. Census Bureau, there were 46.3 million people in the United States without health insurance in 2008. This figure follows an eight-year trend of increasing participation in government run programs such as Medicare, Medicaid, the Children's Health Insurance Program (CHIP), and health care for the military, and declining participation in private or employer-sponsored insurance programs. This lack of healthcare provision is one of the main trends affecting the industry (Jacobsen, 2010).

Another trend is volunteerism. In 2009, the national volunteer rate increased 26.8 percent with 63.4 million volunteers donating approximately 8.1 billion hours of service in communities across the country, despite the economic crisis. In the same period, approximately 3.3 million volunteers in Florida contributed 516 million hours of service. Although the volunteerism rate in Florida is increasing at approximately 1 percent each year for the past decade, it is still below the 4 percent national volunteering rate (Volunteering in America, n.d.). In fact, Florida ranks 46<sup>th</sup> in the country for average volunteer rates.

On a more positive note, demand for childcare after school hours is rising as a result of more parents working extras hours. This trend represents an opportunity for the social services industry to expand into new services in order to promote youth development (Tableman, 2000).

### *Technological Advances*

Technology innovations provide nonprofits with improved productivity, efficiency, performance, and speed as well as boundless opportunities for growth through new product development, automation, and enhancements (Brines, n.d.). For example, the CCTB is rather advanced in its use of technology as compared to other trauma and crisis organizations within the Social Assistance Industry. The CCTB uses a colposcope, which is a medical instrument with camera that is used in sexual assault cases to collect microscopic evidence, which can in turn be used in rape trial cases. This equipment is very expensive and is not easily affordable for nonprofit organizations but is on the cutting edge in trauma counseling (Braughton, 2011). The CCTB is light years ahead of its industry counterparts, but knows that there is still much more that can be done to implement technology to better serve its clients. Within the Social Assistance Industry, additional advancements in technology include computerization and the internet, telecommunications, and audio/visual technology.

Computerization and the internet have increased the sophistication of information technology and are indispensable to all nonprofits seeking to raise funds effectively. Without adequate computerization, it is clear that nonprofits including those in the Social Assistance industry will not remain competitive. Word processing, spreadsheets, database management, and the Internet offer access to a wide range of information available. Emails improve long distance communication with clients, donors, and volunteers. Websites inform the public about services available, organizational accomplishments, the fiscal responsibility of funds received, and provide a tool for recruiting volunteers and donors as well as offering training and educational seminars (Tableman, 2000). In addition, a majority of Social Assistance Industry organizations use prominent online social networking tools like Facebook and Twitter to

promote awareness, increase visibility, and connect with potential clients, supporters, and donors (The Chronicle of Philanthropy, 2008).

The Internet also provides an ideal platform to allow and to receive psychological support, especially because of its special characteristic: anonymity. One major concern that arises with the use of new computer and Internet innovations is security and confidentiality of data stored. However, with the use of data encryption, agencies can protect data resting in databases as well as data over the network. This security identifies the sensitivity of the data and the groups of users who can view that data, which is done via labels with firewalls that protect perimeter access and authentication as well as single sign-ons that validate authorized participants (Brines, n.d.). In addition, system delivery and integration is a concern for organizations. The CCTB uses virtual servers, which backs up all its systems, files, and case records in the event of a disaster and to ensure that service delivery is not interrupted. However, the CCTB has identified a deficiency due to its lack of computer system integration, and is currently taking steps to remedy this issue by weighing the costs and benefits associated with purchasing an electronic medical records system, which would enable a paperless environment (Ho-Pehling, 2011).

Telecommunications technologies have made possible the nearly instantaneous transmission and reception of large amounts of complex information over long distances, creating global markets for a wide range of products and services (Besanko, Dranove, Shanley, & Schaefer, 2010). The CCTB uses telecommunication technology to help those in crisis quickly. The phone system which supports the CCTB's 2-1-1 Crisis Hotline uses Voice over Internet Protocol (VoIP), which makes the organization one of the first nonprofit crisis lines to use this technology. VoIP is extremely costly and infrastructure efficient, which has significantly helped the CCTB to reduce its phone costs on a monthly basis (Braughton, 2011). A proposed way the CCTB can continue in increasing its telecommunications efficiency is through the proposed purchase of a new phone system, which uses an "Intelligent Queue," a technology that would prioritize calls to the 2-1-1 Crisis Hotline to better serve clients. In addition, all senior level personnel within the CCTB utilize Smartphones and/or tablets to communicate with all internal and external stakeholders to promote efficiencies within the organization due to the constant stream of connectivity (Harris, 2011).

Audio and visual technology can be described as aid, other than printed matter, that uses sight or sound to present information (Answers Corporation, 2011 ). The CCTB serves as another example of a nonprofit crisis center that uses audio and visual technology. The organization's 24-hour surveillance of the Sunshine Skyway Bridge allows the counseling team to dispatch emergency services when they see someone who is contemplating taking their own life. In 1999, the crisis phones were installed on the Sunshine Skyway Bridge over Tampa Bay, the third-ranked bridge in the country for suicides, to deter suicide attempts. Through this direct communications line to the bridge, the CCTB counseling team can intervene when they see individuals at the top of the bridge. In addition, The CCTB has teamed up with mobile phone carrier companies to receive tracking information from every caller by using the phone's internal GPS system. This allows the CCTB and emergency support personnel to know the exact location of their client in need (Ho-Pehling, 2011).

## **STRATEGIC ALTERNATIVES**

With increasing demand for services and decreasing funding support, David Braughton must identify some alternative strategic actions the organization can undertake to ensure sustainability. Should the Crisis Center build on its strengths to improve the depth of its reach to current clients *or* shore up weaknesses to expand into different target markets *or* pursue opportunities for growth *or* mitigate threats negatively affecting operations? Technology utilization, for example, is a strength but can the organization use technology to more effectively deliver services or improve its web site to increase donations? Is social media such as Facebook or Twitter an option? How do other nonprofit organizations utilize their web sites to drive donations?

Another alternative may be to expand awareness and reach new markets. As previously discussed, the Crisis Center of Tampa Bay suffers from low brand awareness and inconsistent brand perception among

its multiple audiences (Bright Monkey Marketing, 2011). How might the Crisis Center improve its visibility and increase the public's awareness of the range of services that the Crisis Center offers? What alternatives might have a broad reach but be economically feasible given the decreased funding streams? Can technology be used to help?

Although reaching a broad market to expand awareness is one avenue to pursue, perhaps it would be more economically efficient to select particular demographic markets in which to expand its awareness. Through his research, David knows that demographic groups like Hispanics, Southeast Asians, African Americans and seniors are growing in the Tampa Bay area. What are other marketing outlets for the Crisis Center to deliver its message? Which of these markets look most promising and how to best reach these markets?

Instead of tapping existing markets or expanding in to new markets, another opportunity may be for David to evaluate additional earned income alternatives. In addition to the TransCare Medical Transportation operations which could be expanded, the CCTB is a provider of approximately thirteen Continuing Education Workshop programs. These programs have been offered to members of the Florida Bar Association to satisfy Continuing Legal Education (CLE) requirements of certified attorneys in the state of Florida, as well as the Florida Board of Clinical Social Work, Marriage and Family Therapy and Mental Health Counseling organizations (Mueller, Education & Outreach). Perhaps these workshops could be extended to apply to other organizations that need continuing education or workshops to educate those in or affiliated with their organizations about various topics in which the Crisis Center has expertise. Some of these areas include suicide prevention, addressing sexual harassment, reducing domestic violence and/or child abuse, and improving professional ethics. In addition, human resource departments or universities in the area may be markets to deliver programs. The issue then becomes which organizations and what topics might these organizations be interested in? Further, how much could the Crisis Center charge for these programs and what would the profit margins look like in delivering these programs?

Related to this opportunity, the Crisis Center of Tampa Bay has access to approximately 200 Learning Management System (LMS) modules that discuss and provide thorough information about various topics, including (Mueller, Education & Outreach) Ethics, Abuse, Neglect and Exploitation, Medical Records, Sexual Harassment in the Workplace and Microsoft Office Tutorials. To date, the Crisis Center's LMS modules have not been utilized to their full capacity and there is an opportunity to sell access to these modules to organizations that do not want to offer workshops but that are required to have continuing education and certifications or could benefit from employee training. Examples of organizations might include Tampa area law firms and government agencies, as well as other crisis centers that may have a need for access to the Crisis Center of Tampa Bay's LMS modules.

Instead of or in addition to focusing on opportunities, the Crisis Center could also mitigate threats. The Crisis Center of Tampa Bay uses 75,000 gallons of diesel fuel every year. Diesel prices keep increasing as the barrel of oil continues to sky rocket above \$110 per barrel, which translates into the price of diesel being consistently above \$4 per gallon. This threatens the financial stability of the Crisis Center of Tampa Bay as it has to spend over \$300,000 ( $\$4 \text{ per gallon} * 75,000 \text{ gallons}$ ) in fuel for its TransCare ambulance service each year. In addition, combustion of diesel fuel produces enormous amounts of toxic air pollutants which contaminate the environment. The emissions of toxic substances as well as TransCare's high expense for fuel needs could be greatly reduced by switching its ambulances from a diesel fuel system to a biodiesel fuel system. Benefits of using biodiesel include: increasing mileage by 5 percent, using more environmentally friendly technology with 75 percent less emissions, systematic cleaning of fuel system, extending engine life, and quieting down the engine (Home Biodiesel Kits).

There are two different initiatives for switching fuel systems: 1) explore access to biodiesel distributors to decrease expenditures on fuel, and 2) explore options for biodiesel fuel conversion in-house. Although several biodiesel distributors are in the area, it is important to note that average price for biodiesel may be higher than standard diesel fuel prices. A second alternative is to explore options for in-house biodiesel fuel conversion. Ideally the plan would be to designate space on the existing property to

locate all the equipment necessary for the fabrication and storage of the biodiesel. Although no permits would be needed to build a facility as long as the biodiesel made is for self-consumption and no engine modifications would be needed for the current ambulances, CCTB needs to investigate what resources will be needed for biodiesel production. How much are processors and how many processors would be needed? In addition, a storage tank to hold the biodiesel would be needed but how big does it need to be and how much will it cost?

The most expensive component/ingredient to make biodiesel is the vegetable oil. A potential source may be used cooking oil from fast food restaurants. How much would it cost to purchase the oil? Could the CCTB take advantage of its "brand name" through umbrella branding and launch a major campaign to convince restaurants to donate used cooking oil? While many restaurants pay companies to pick up their used oil to dispose of it properly, other restaurants like McDonald's recycle their oil and sell it for a very small fee.

## DECISION TIME

As a leader, David Baughton has much to consider. Which alternative or combination of alternatives should the CCTB consider? What are CCTB's main strengths and weaknesses that might affect strategic alternative selection? Are these alternatives all mission consistent? Are they economically feasible given the financial position of the CCTB? Who would be in charge of implementing new programs or services? What resources would be needed for implementation?

Further, which opportunities represent an avenue to fund growth and better serve their clients? As a nonprofit, how appropriate is the use of a for profit strategy in a nonprofit organization? What are the benefits and difficulties of implementing such a strategy? They have already implemented one earned strategy, is another entrepreneurial activity advisable? What is social entrepreneurship? How is it different from entrepreneurship? If the social entrepreneurship opportunities are selected, which ones are most promising? Selling the LMS modules or offering continuing education workshops seems viable and somewhat safe although it might take significant human resources to launch. On the other hand, the biodiesel option is very different from their core business but may represent significant growth. Although this strategy can initially be a cost saving strategy, could the Crisis Center manufacture enough to sell?

These are all good questions that must be evaluated to go forward.

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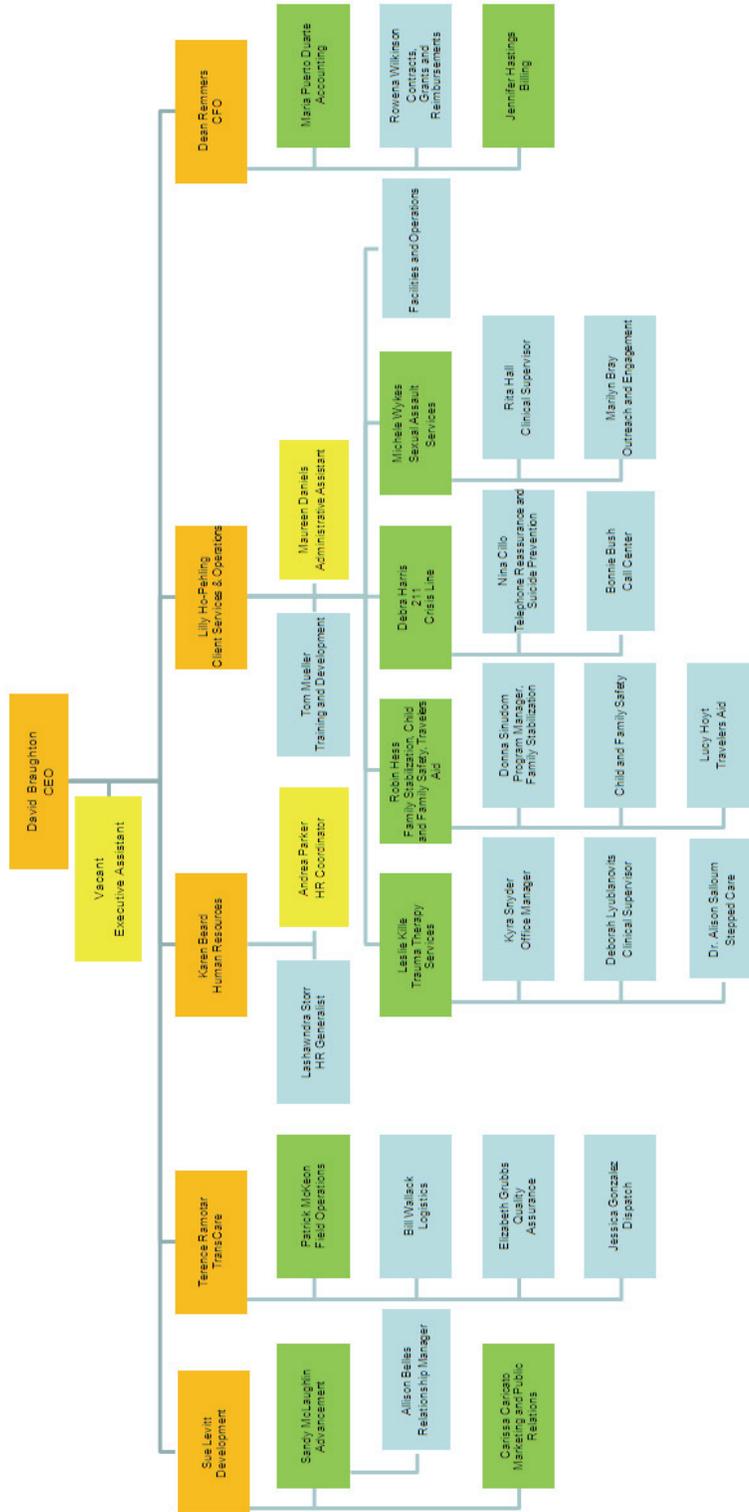
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# APPENDIX A CCTB ORGANIZATION CHART



**APPENDIX B**  
**CCTB STATEMENT OF FINANCIAL POSITION (FYE SEPTEMBER 30)**

	<u>2010</u>	<u>2009</u>
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 1,539,266	\$ 1,643,631
Grants receivable	408,490	313,350
Program service fees receivable	915,620	659,568
Pledges receivable	149,180	256,621
Other receivables	1,000	8,967
Prepaid expenses	<u>53,857</u>	<u>6,125</u>
Total current assets	<u>3,067,413</u>	<u>2,888,262</u>
PROPERTY AND EQUIPMENT	5,021,818	4,751,057
Less accumulated depreciation	<u>2,418,905</u>	<u>2,046,246</u>
	<u>2,602,913</u>	<u>2,704,811</u>
PLEDGES RECEIVABLE	<u>341,628</u>	<u>166,835</u>
INVESTMENTS	<u>22,811</u>	<u>20,654</u>
 TOTAL ASSETS	 <u>\$ 6,034,765</u>	 <u>\$ 5,780,562</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 362,308	\$ 318,865
Accrued expenses	543,012	344,209
Deferred revenue	98,924	60,126
Current portion of notes payable	<u>134,400</u>	<u>234,821</u>
Total current liabilities	<u>1,138,644</u>	<u>958,021</u>
LONG-TERM LIABILITIES		
Notes payable, less current portion	<u>461,926</u>	<u>577,855</u>
COMMITMENTS	<u>-</u>	<u>-</u>
NET ASSETS		
Unrestricted	3,943,387	3,821,230
Temporarily restricted	<u>490,808</u>	<u>423,456</u>
	<u>4,434,195</u>	<u>4,244,686</u>
 TOTAL LIABILITIES AND ASSETS	 <u>\$ 6,034,765</u>	 <u>\$ 5,780,562</u>

**APPENDIX C**  
**CCTB STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2010**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support and revenue			
Public support			
Federal grants	\$ 515,514	\$ -	\$ 515,514
State grants	118,283	-	118,283
County and other local grants	2,196,385	-	2,196,385
United Way	371,345	-	371,345
Contributions	535,900	-	535,900
Special events, net	<u>42,998</u>	<u>277,681</u>	<u>320,679</u>
Total public Support	<u>3,780,425</u>	<u>277,681</u>	<u>4,058,106</u>
Other Revenue			
Program service fees	5,085,981	-	5,085,981
Interest and investment income	8,205	-	8,205
Other income	<u>58,223</u>	<u>-</u>	<u>58,223</u>
Total other income	<u>5,152,409</u>	<u>-</u>	<u>5,152,409</u>
Net assets released from restrictions	<u>210,329</u>	<u>(210,329)</u>	<u>-</u>
Total public support and other revenue	<u>9,143,163</u>	<u>67,352</u>	<u>9,210,515</u>
Expenses			
Program services	<u>7,625,085</u>	<u>-</u>	<u>7,625,085</u>
Supporting services			
Management and general	1,037,848	-	1,037,848
Development and marketing	<u>358,073</u>	<u>-</u>	<u>358,073</u>
Total supporting services	<u>1,395,921</u>	<u>-</u>	<u>1,395,921</u>
Total expenses	<u>9,021,006</u>	<u>-</u>	<u>9,021,006</u>
Change in net assets	122,157	67,352	189,509
Net assets at beginning of year	<u>3,821,230</u>	<u>423,456</u>	<u>4,244,686</u>
Net assets at end of year	<u>\$ 3,943,387</u>	<u>\$ 490,808</u>	<u>\$ 4,434,195</u>

**APPENDIX D**  
**CCTB STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS**  
**FOR THE YEAR ENDED SEPTEMBER 30, 2009**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total</u>
Public support and revenue			
Public support			
Federal grants	\$ 647,871	\$ -	\$ 647,871
State grants	127,260	-	127,260
County and other local grants	2,483,028	-	2,483,028
United Way	343,096	-	343,096
Contributions	397,296	15,750	413,046
Special events, net	<u>339</u>	<u>262,621</u>	<u>262,960</u>
Total public Support	<u>3,998,890</u>	<u>278,371</u>	<u>4,277,261</u>
Other Revenue			
Program service fees	4,512,191	-	4,512,191
Interest and investment income	1,319	-	1,319
Other income	<u>32,947</u>	<u>-</u>	<u>32,947</u>
Total other income	<u>4,546,457</u>	<u>-</u>	<u>4,546,457</u>
Net assets released from restrictions	<u>208,905</u>	<u>(208,905)</u>	<u>-</u>
Total public support and other revenue	<u>8,754,252</u>	<u>69,466</u>	<u>8,823,718</u>
Expenses			
Program services	<u>7,011,416</u>	<u>-</u>	<u>7,011,416</u>
Supporting services			
Management and general	943,077	-	943,077
Development and marketing	<u>307,455</u>	<u>-</u>	<u>307,455</u>
Total supporting services	<u>1,250,522</u>	<u>-</u>	<u>1,250,522</u>
Total expenses	<u>8,261,938</u>	<u>-</u>	<u>8,261,938</u>
Change in net assets	492,314	69,466	561,780
Net assets at beginning of year	<u>3,328,916</u>	<u>353,990</u>	<u>3,682,906</u>
Net assets at end of year	<u>\$ 3,821,230</u>	<u>\$ 423,456</u>	<u>\$ 4,244,686</u>

**APPENDIX E**  
**CCTB STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED SEPTEMBER 30**

	<u>2010</u>	<u>2009</u>
Cash flows from operation activities		
Change in net assets	<u>\$ 189,509</u>	<u>\$ 561,780</u>
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	372,734	320,867
(Increase) decrease in accounts receivable	(343,226)	11,941
Increase in pledge receivables	(67,352)	(69,466)
(Increase) decrease in prepaid expenses	(47,732)	25,748
Net unrealized (gain)/loss on investments	(2,157)	4,378
Increase in accounts payable and accrued expenses	242,247	34,343
Increase (decrease) in deferred revenues	<u>38,798</u>	<u>(26,973)</u>
Total adjustments	<u>193,312</u>	<u>300,838</u>
Net cash provided by operating activities	<u>382,821</u>	<u>862,618</u>
Cash flow from investing activities		
Sale of mutual funds	-	20,000
Purchase of equipment	<u>(270,836)</u>	<u>(485,863)</u>
Net cash used by investing activities	<u>(270,836)</u>	<u>(465,863)</u>
Cash flow from financing activities		
Proceeds from notes payable	-	325,747
Payments on notes payable	(216,350)	(182,620)
Payments on capital lease obligations	<u>-</u>	<u>(6,599)</u>
Net cash (used) provided by financing activities	<u>(216,350)</u>	<u>136,528</u>
Net (decrease) increase in cash and cash equivalents	(104,365)	533,283
Cash and cash equivalents at beginning of year	<u>1,643,631</u>	<u>1,110,348</u>
Cash and cash equivalents at end of year	<u>\$ 1,539,266</u>	<u>\$ 1,643,631</u>
Supplemental disclosure of cash flow information		
Cash paid during the year		
Interest	<u>\$ 45,931</u>	<u>\$ 47,022</u>

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